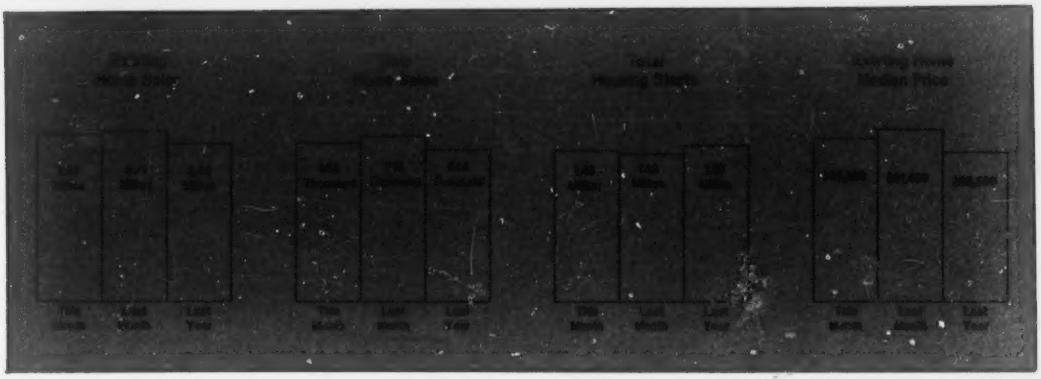
12/5/88

Vol. 2, No. 10 October 1988

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Existing and new single-family home sales retreated in September. Existing home sales volume declined 2.2 percent to a seasonally adjusted annual rate of 659,000 units while new homes sales volume dropped a sharp 7.8 percent to an annualized rate of 659,000 units.
- The total inventory of existing single-family homes on the market decreased 3.4 percent to 2,784,000 units in September. This drop was totally due to a 100,000 unit decrease in existing single-family home structures.
- Private housing starts received a boost from multifamily construction. Starts for structures with 5 units or more jumped 15.3 percent to overcome a modest decrease in single-family units and nudge the total figure up 1.5 percent to an annualized rate of 1,453,000 units.
- Existing and new home sales prices moved in opposite directions during September. The median price of an existing single-family home slipped to $88,500 after reaching a new high last month while the new home price rebounded to $118,900.
- Home affordability improved modestly, aided by lower existing home prices and a slight decrease in the mortgage interest rate which moved the Housing Affordability index to 113.3 from 109.1.

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SURVEY DESCRIPTION

Publication

1. "Home Sales" is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage

2. Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 400 Boards of REALTORS® and multiple listing systems. In 1985 data on over 1,590,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions

4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows:

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH
Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST
Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST
Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	14	South	35
Midwest	28	West	23

Sales Volume

6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant "blow-up" factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report "closings." To the extent "closings" are contained in this series, they introduce a "distributive lag" effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price

10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a *standard home*. Prices are influenced by changes in cost *and* changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are *not seasonally adjusted*.

Seasonal Adjustment

13. Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium/cooperative sales and state home sales are based on a quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

EQUAL HOUSING OPPORTUNITY

THE NATIONAL ASSOCIATION OF REALTORS® is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. The Association encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, or national origin.

SUBSCRIPTION INFORMATION

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FOR SALE

Each month Home Sales reports statistics on the number of existing and new homes available for sale, and the approximate period of time those homes could supply the housing market. The size of the inventory often surprises people. In addition, we receive many calls along the lines, "The 8-month supply of homes for sale you cite cannot possibly be reflective of the market. Why don't you show 'true' time-on-market?"

Turning first to the size of the inventory, currently 2.42 million resale homes. This means that for every home sold (312,000 in September) there were 7.75 on the market. Clearly the resale housing market depends on potential home buyers being able to choose among several properties in their general price range. In fact, our research indicates that a typical buyer looks at 12 potential homes, and that a quarter of homebuyers examine more than 20 properties before they decide. Choice is a hallmark of our housing market.

One factor which contributes to inventory is regional disparity. In a community where population is declining the number of homes available for sale can continue to grow. In recent years the Oil Patch has provided ample evidence of a growing inventory of homes, even though the sales rate was relatively constant. In addition, there are always those few potential sellers who take the attitude that they would be willing to sell if a buyer were foolish enough to pay an inflated price, but nonetheless their homes are on the market and likely to stay there. Finally, seasonal properties add to the inventory, and may be listed for sale for an extended period of time. For example, one could be listed immediately after the end of the high season while buyers will not actively be in the market until shortly before the next high season.

Another facet of the inventory of homes available for sale is seasonality. While the data reported on homes available for sale is not seasonally adjusted, the seasonal pattern is there nonetheless. This fact was overlooked by the Comstock Partners in their now-famous *Barrons* interview. They compared the inventory available for sale at the end of 1987 with the inventory in March and concluded that inventory accumulation was taking place, giving credence to their massive deflation scenario. In point of fact, the inventory buildup by March 1988 was less rapid than experienced between year-end and March in the last two years, indicating faulty analysis underlying the collapse conclusion.

But what about time on market? REALTORS® and their clients alike want to know what to expect, and many multiple listing groups develop and disseminate to their members these very statistics. Significantly, the form which is used by Boards of REALTORS® and Multiple Listing Services to report sales to the national office includes a measure of time on market. On review of statistical reliability we concluded the measure wasn't accurate.

Our first use of these statistics was in 1982, when the resale housing market was flattened by mortgage rates exceeding 15 percent, and the months' supply of inventory available for sale was 13 months, but the time-on-market average was just over 60 days. Three years later the inventory of homes available for sale had grown because people were willing to make nonessential moves again, the months' supply had dropped below ten, but the time-on-market statistics stayed near 60 days. Why?

Conventional wisdom (and observed behavior) indicates that traffic is greatest when a for sale listing is fresh. Accordingly, rational behavior on the part of agents and brokers strives to minimize the number and age of existing listings. Of course, the preferred course of action is to sell the homes quickly, but local or national economic conditions often hamper that objective. Accordingly, the agents seek alternative courses of action.

When a home fails to sell in the first few weeks, a client may fear the price was set too high, and agree to a lower asking price. Alternatively, the seller may make some cosmetic changes to the home, such as fresh paint or new carpeting. Any of these actions needs to be conveyed to potential buyers through the cooperating brokers/agents, typically through the MLS. At this point the listing broker must choose between two courses of action – to modify the existing listing or to withdraw it completely and resubmit the property through a new listing and incur any MLS fees connected to the latter course of action.

Assuming the broker takes the new listing approach, in many cases the time-on-market clock will be reset to day 1. In other cases as long as the property's listing does not change firms the clock continues. We are already at a juncture where the data collected from MLSs on time-on-market is uncertain. Moreover, in slower markets clients often become impatient and move their listing from one firm to another when it expires. The second firm may then market the property as their new listing rather than as the previous firm's aging listing. Since roughly 30 percent of home sellers in 1986's active market used two or more firms, the distortion added to MLS time-on-market statistics is significant.

Listing and time-on-market statistical development is on the wish list for enhancement to Home Sales, but localization of affordability data and further research on quantifying obstacles faced by first-time buyers are more immediate priorities. At this time, monitoring year-to-year changes in the estimated level of homes for sale and tracking changes in the months' supply of homes on the market provide the most reliable indications on the supply of available product in the housing market and how long properties typically will remain "For Sale."

Glenn E. Crellin
Division Vice President
Economics and Research Division

SEPTEMBER HOUSING MARKETS

Housing market activity slowed a little in September despite an improvement in housing affordability stemming from lower home prices and mortgage interest rates. The continuing strength in the economy should provide bouyancy to the housing market unless interest rates turn upwards significantly. Existing home sales decreased a modest 2.2 percent to a seasonally adjusted annual rate of 3,630,000 units, still 5.8 percent higher than the same month a year ago. Concurrently, new home sales volume fell 7.8 percent to 659,000 units, 2.3 percent above last year's pace. So far in 1988, housing has performed better than expected, but these findings signal a somewhat weaker closing quarter.

When viewed regionally, three of the four regions turned in weaker performances than the previous month. Activity was down the most in the Northeast where sales fell 5.8 percent to an annualized rate of 650,000 units. Volume in the Midwest slipped 3.2 percent to 900,000 units while sales in the South edged downward 2.8 percent to 1,380,000 transactions. By contrast, the West posted a 6.0 percent increase to a 710,000 unit pace.

Nationwide new home sales dropped to the lowest level of the past seven months while activity varied across the regions. Month-to-month comparisons reveal new home sales volume dropped 7.8 percent to a seasonally adjusted annual rate of 659,000 units. However, sharp contrasts prevailed among the regions. There was a severe 27.8 percent drop to a 216,000 unit rate in the South, followed by a 12.7 percent decrease to an 89,000 unit pace in the Northeast. By contrast, the West posted a 17.3 percent sales increase to an annualized rate of 258,000 units and the Midwest registered a small 1.1 percent gain to 96,000 unit pace.

Home Sales Volume in the First Nine Months

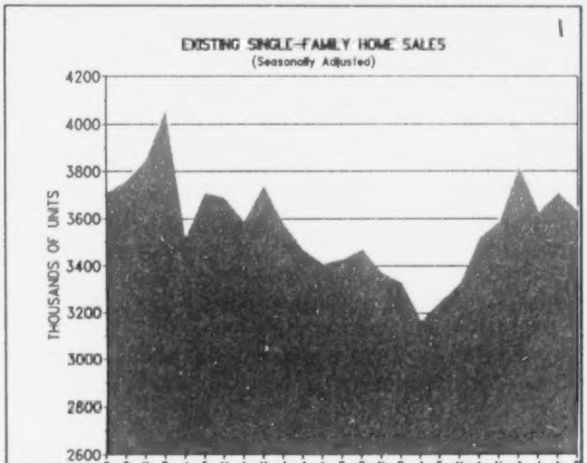
Total existing single-family home sales volume during the first nine months of this year was virtually unchanged from the same period of a year ago. During the most recent nine month stretch, a total 2,771,000 existing houses were sold compared to 2,768,000 of the like 1987 period. Regional performances were mixed. The Northeast and Midwest were below last year's level with sales activity down 1.1 percent to annualized rates of 532,000 units and 5.0 to 736,000 transactions, respectively. By contrast, the South and West posted increases of 2.4 percent to 1,010,000 units and 4.5 percent to 486,000 units, respectively.

Overall, new home sales activity was also relatively stable during the first three quarters. The number of new homes sold increased by less than one percent to 543,000 units compared to 540,000 units of the year ago period. As in the case of the existing home market, regional analysis shows a mixed pattern. The new home market was weakest in the Northeast – off 5.6 percent to 84,000 sales. There was little or no change in the Midwest and South with sales volume at 77,000 units and 220,000 units, respectively. The only bright spot in the new home market was in the West where activity jumped 9.4 percent to a total of 163,000 transactions.

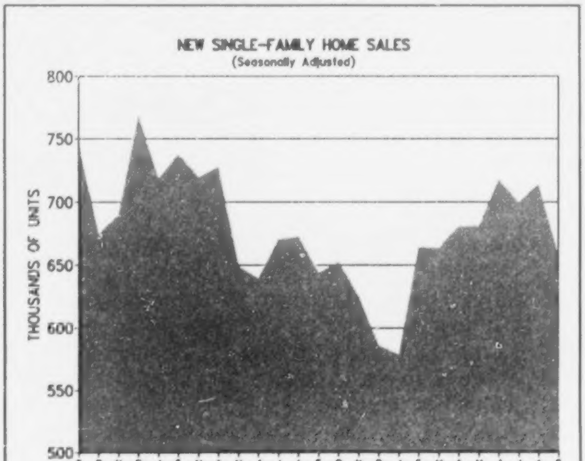
Inventory Available for Sale

The total supply of homes on the market shrank to 2,784,000 units in September. The inventory of existing single-family structures decreased by 100,000 units to 2,420,000 units reflecting a slowdown in offerings while a slight 1,000 unit increase in the supply of new homes accompanied the decrease in new home sales.

The months' supply of existing homes on the market slipped for the sixth straight month to 8.0 months. By contrast, the months' supply of new homes on the market increased to 6.9 months, the highest level of the past 8 months.



SOURCE: NATIONAL ASSOCIATION OF REALTORS



SOURCE: NATIONAL ASSOCIATION OF REALTORS; Bureau of the Census.

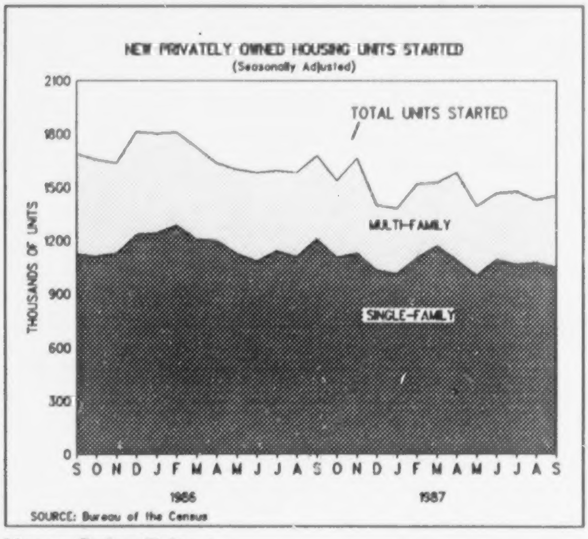
Housing Construction

A rebound in multifamily housing construction helped to shore up new privately owned construction in the month of September. Total new construction started edged upwards 1.5 percent to a seasonally adjusted annual rate of 1,453,000 units. While one-unit structures drifted 2.3 percent lower to a rate of 1,050,000 units, starts for buildings with 5 units or more spurted 15.3 percent to 340,000 units, tending to support the overall statistic. However, since so many units in multi-family structures start simultaneously, this series is volatile.

Regional volume varied somewhat. The largest gain was reported by the Midwest where construction was up 6.3 percent to 254,000 units. The next strongest increase was in the Northeast which registered a 3.9 percent gain to 212,000 units. Activity in the West rose a modest 2.4 percent to 435,000 units while the South posted a decrease of 2.0 percent to 552,000 units.

Total volume of new home construction for the first nine months of the year slipped 10.6 percent below last year's level of 1,142,700 units. While activity was lower for all types of structures, those with five units or more were particularly hard hit, falling 17.8 percent to 259,000 – a difference of 56,100 units.

The overall decrease was spread rather evenly across the four regions. The Northeast and Midwest reported sizeable drops of 10.8 percent to 186,200 units and 10.6 percent to 209,300 units, respectively. The South posted an even steeper decline of 11.5 percent to 441,100 units while the West, continuing its consistent pattern as 1988's star housing performer, reported the smallest decrease, 8.9 percent to 306,000 structures.



SOURCE: Bureau of the Census

Home Sales Prices

Existing home prices continued a 20-year pattern by declining $2,900 between August and September to a median of $88,500, 3.2 percent above a year ago. The decline is due to buyers of large family homes to be settled in, or at least know where they are moving, before school starts. By contrast, the new home median price rebounded sharply to $118,900, just below the all-time high reached in July.

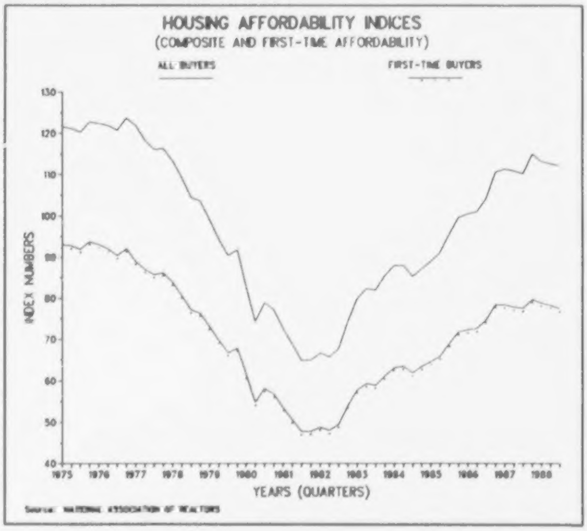
Regional price comparisons point to continuing price appreciation across the board. The West led the other areas with a hefty year – to – year increase of 7.1 percent to $124,300. The Northeast, which appears to be on a plateau since last May, nearly matched the West with a 6.3 percent increase to $141,400. Prices in the South and Midwest registered more moderate year-to-year increases of 3.6 percent to $82,400 and 1.5 percent to $67,100.

Resale Housing Affordability

Housing affordability improved in September as a result of decreases in both the median price of an existing single-family home and mortgage interest rates.

The September affordability index jumped to 113.3 from 109.1 in August. This means that a family earning the median income of $31,788 has 113.3 percent of the income necessary to qualify for a conventional loan covering 80 percent of the median existing home price.

Despite the improvement in the broad National Housing Affordability index, first-time homebuying conditions worsened somewhat during the third quarter of 1988. The First-Time Homebuyer Affordability Index was adversely affected by increases in the starter home price and the mortgage interest rate which pushed the index down to 77.3 from 78.2 during the period. This widened the affordability gap (the difference between the two affordability indexes) to 31.0 percent, the widest in the last seven quarters.



Source: NATIONAL ASSOCIATION OF REALTORS

Condominium /Cooperative Resales

The pace of condominium/cooperative resales slowed again in the third quarter of 1988 – falling 12.9 percent to a seasonally adjusted rate of 339,000 units, down 8.4 percent from the same quarter of last year.

Three of the four regions reported declines. The Northeast posted its second decline in a row with a drop of 12.9 percent to a seasonally adjusted annual rate of 162,000 units–the lowest rate of condo sales in the past five quarters. The Midwest reported a 13.7 percent decrease to 63,000 units while the steepest decline was reported by the West, 34.0 percent to a rate of 31,000 units. By contrast, the South boasted a moderate increase of 4.9 percent to an 84,000 unit pace.

The median price of apartment condominiums and cooperatives retreated from the all-time high reached in the previous quarter. The median priced apartment condo/co-op fell $4,800 to $79,000 in the third quarter, 1.6 percent below the same period of a year ago. Price increased in three of the four regions with the Northeast taking the lead in posting a strong year–to–year increase of 7.3 percent to $107,500. The West was close behind with a jump of 6.2 percent to $107,800 – the third gain in a row. Prices in the South rose a modest 1.6 percent to $63,900 while the Midwest registered a 6.5 percent decrease to $61,500.

Total Home Sales

In the third quarter, total existing home sales including apartment condominiums and cooperatives declined less than one percent from the second quarter. Bearing the impact of declining sales in the Northeast, volume slipped to 4,000,000 units on a seasonally adjusted annual rate basis. This was still 5.0 percent above the level of a year ago.

Regional analysis shows that three of the four regions reported modest quarter-to-quarter gains. The Midwest and South posted gains of 3.2 percent to an annualized rate of 980,000 units and 3.5 percent to a 1,470,000 unit rate, respectively. Volume in the West rose 2.9 percent to 710,000 units. By contrast, activity in the Northeast decreased 5.6 percent to an 840,000 unit pace.

State Resale Market

There has been a noticeable shift in regional volume patterns. When comparing sales volume with the prior year, the West now accounts for 7 of the 13 states reporting year-to-year volume increases of ten percent or more while last year three of 11 Western States were in that category. Furthermore, only one of the Western states is currently in the group that is down ten percent or more while last year six Western states were in that class.

Metropolitan House Prices

Sharp contrasts in home prices continue. Of the 62 metropolitan areas in our survey, 13 reported annual price increases of 10 percent or more while 15 registered declines. Six of the 13 mets reporting increases of 10 percent or more represent the West while nine of the 15 reporting declines are in the South, particularlly the long depressed Oil Patch.

Halvor M. Juul
Director of Surveys

State Home Resales
(Change from 3rd Quarter 1987)

Down 10% or More
- Georgia
- Hawaii
- Louisiana
- Massachusetts
- Mississippi
- New Hampshire
- New Jersey
- Tennessee

Down 0.1 – 9.9%
- Alabama
- Delaware
- Indiana
- Iowa
- Nevada
- New Mexico
- New York
- Rhode Island

Up 0.1 – 9.9%
- Arkansas
- Arizona
- District of Columbia
- Florida
- Illinois
- Kansas
- Maine
- Michigan
- Minnesota
- Missouri
- Nebraska
- North Carolina
- North Dakota
- Ohio
- Pennsylvania
- Texas
- Utah
- Vermont
- Virginia
- Washington
- West Virginia
- Wisconsin

Up 10% or More
- Alaska
- California
- Colorado
- Connecticut
- Idaho
- Kentucky
- Maryland
- Montana
- Oklahoma
- Oregon
- South Carolina
- South Dakota
- Wyoming

Metropolitan Home Sales Price
(Change from 3rd Quarter 1987)

Down
- Albuquerque
- Baton Rouge
- Charleston, SC
- Dallas/Ft. Worth
- Denver
- Des Moines
- El Paso
- Houston
- Miami/Hialeah
- Oklahoma City
- Philadelphia
- Phoenix
- Salt Lake City/Ogden
- San Antonio
- Tulsa

Up 0.1 – 4.9%
- Boston
- Cleveland
- Columbus
- Ft. Lauderdale/Hollywood/Pompano Beach
- Hartford
- Jacksonville
- Kansas City
- Knoxville
- Lansing
- Memphis
- Nashville/Davidson
- New York/Northern New Jersey/Long Island
- Omaha
- Portland
- Providence
- Tampa/St.Petersburg/Clearwater

Up 5.0 – 9.9%
- Akron
- Albany/Schenectady/Troy
- Birmingham
- Chattanooga
- Cincinnati
- Grand Rapids
- Indianapolis
- Las Vegas
- Louisville
- Milwaukee
- Minneapolis/St. Paul
- Riverside/San Bernadino
- Rochester
- St. Louis
- Syracuse
- Toledo

Up 10% or More
- Orange County(Anaheim/Santa Ana MSA)
- Baltimore
- Buffalo/Niagara Falls
- Chicago
- Detroit
- Honolulu
- Los Angeles
- Orlando
- San Diego
- San Francisco
- Seattle/Tacoma
- Washington, DC
- West Palm Beach/Boca Raton/Delray Beach

UNITED STATES SUMMARY

Year		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
		Existing	New	Existing	New	Existing	New	Existing	New
1982		1,990,000	412,000	1,910,000	255,000	*	*	$67,800	$ 69,300
1983		2,719,000	623,000	1,980,000	304,000	*	*	70,300	75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,000
1987	Sep	3,430,000	644,000	2,370,000	361,000	8.3	6.9	$85,500	$106,900
	Oct	3,470,000	653,000	2,570,000	360,000	8.9	6.6	84,600	106,500
	Nov	3,370,000	625,000	2,490,000	362,000	8.9	7.1	85,000	117,000
	Dec	3,330,000	586,000	2,160,000	365,000	7.8	7.6	85,400	111,800
1988	Jan	3,170,000	579,000	2,280,000	368,000	8.6	7.7	$87,400	$119,000
	Feb	3,250,000	648,000	2,640,000	359,000	9.8	6.8	88,100	110,900
	Mar	3,330,000	664,000	2,820,000	372,000	10.2	6.8	87,900	108,900
	Apr	3,520,000	681,000	2,770,000	367,000	9.4	6.6	87,300	111,000
	May	3,590,000	681,000	2,740,000	370,000	9.2	6.7	88,800	110,000
	Jun[r]	3,820,000	718,000	2,700,000	367,000	8.5	6.2	90,200	111,500
	Jul[r]	3,630,000	700,000	2,500,000	364,000	8.3	6.4	90,700	120,000
	Aug[r]	3,710,000	715,000	2,520,000	363,000	8.2	6.3	91,400	110,000
	Sep[p]	3,630,000	659,000	2,420,000	364,000	8.0	6.9	88,500	118,900

r Revised p Preliminary * not applicable
Source: New home sales data from Census Bureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		1,990,000	354,000	490,000	780,000	366,000					
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Sep	3,430,000	670,000	890,000	1,290,000	580,000	296,000	63,000	75,000	105,000	53,000
	Oct	3,470,000	660,000	910,000	1,280,000	600,000	301,000	65,000	73,000	108,000	54,000
	Nov	3,370,000	640,000	890,000	1,260,000	560,000	241,000	43,000	55,000	102,000	40,000
	Dec	3,330,000	640,000	880,000	1,240,000	570,000	220,000	39,000	56,000	86,000	40,000
1988	Jan	3,170,000	610,000	920,000	1,090,000	530,000	191,000	37,000	48,000	73,000	31,000
	Feb	3,250,000	660,000	890,000	1,190,000	520,000	220,000	40,000	66,000	81,000	34,000
	Mar	3,330,000	650,000	880,000	1,230,000	570,000	303,000	53,000	86,000	111,000	52,000
	Apr	3,520,000	670,000	930,000	1,310,000	610,000	322,000	59,000	90,000	120,000	51,000
	May	3,590,000	720,000	920,000	1,310,000	640.000	344,000	65,000	93,000	123,000	60,000
	Jun	3,820,000	740,000	990,000	1,420,000	680,000	379,000	74,000	102,000	133,000	71,000
	Jul	3,630,000	690,000	910,000	1,360,000	650,000	331,000	66,000	85,000	122,000	56,000
	Aug[r]	3,710,000	690,000	930,000	1,420,000	670,000	369,000	75,000	94,000	134,000	66,000
	Sep[p]	3,630,000	650,000	900,000	1,380,000	710,000	312,000	63,000	72,000	113,000	65,000

Components may not agree with totals due to rounding.
r Revised p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES
(Billions of Dollars)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		$160.2	$ 26.7	$29.7	$ 61.4	$41.8					
1983		225.9	42.1	44.6	84.4	53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Sep	$368.8	$ 98.7	$68.1	$123.8	$ 78.2	$31.6	$9.3	$5.7	$10.1	$ 7.1
	Oct	373.6	100.1	67.1	124.0	82.4	31.9	9.7	5.4	10.4	7.4
	Nov	360.3	96.2	66.3	121.4	76.4	25.9	9.3	4.1	9.8	5.4
	Dec	358.3	95.0	67.0	118.3	78.0	23.5	5.8	4.3	8.1	5.5
1988	Jan	$344.8	$ 89.7	$72.5	$108.0	$ 72.7	$20.8	$ 5.4	$3.7	$ 7.2	$ 4.2
	Feb	361.1	97.9	68.6	122.4	72.2	24.0	5.9	5.1	8.3	4.7
	Mar	368.1	97.9	67.5	125.3	79.3	33.5	8.0	6.6	11.4	7.2
	Apr	382.2	101.4	71.9	123.3	83.2	35.0	8.9	6.9	11.8	6.9
	May	398.8	112.0	72.7	129.6	91.3	38.2	10.2	7.3	12.1	8.6
	Jun	441.0	117.0	81.0	146.8	100.5	43.7	11.8	8.3	13.7	10.4
	Jul	416.8	109.4	73.0	142.2	95.2	38.0	10.4	6.8	12.7	8.2
	Aug^r	426.7	110.6	75.5	145.2	99.3	42.5	11.9	7.6	13.7	9.8
	Sep^p	407.4	99.5	69.5	139.4	102.6	35.0	9.7	5.6	11.4	9.4

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES
(Not Seasonally Adjusted)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
				Median					Average(Mean)		
1982		$67,600	$ 63,500	$55,100	$67,100	$ 98,900	$ 80,500	$ 75,400	$60,700	$ 78,700	$114,200
1983		70,300	72,200	56,600	69,200	94,900	83,100	85,400	62,900	81,500	111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1987	Sep	$85,500	$133,000	$66,100	$79,500	$116,100	$106,900	$146,900	$ 76,500	$ 96,300	$134,700
	Oct	84,600	135,300	63,800	80,200	116,400	106,100	148,800	73,500	96,600	136,400
	Nov	85,000	134,500	64,400	79,200	115,400	106,600	146,700	74,800	96,200	135,800
	Dec	85,400	134,300	65,000	78,700	117,800	107,100	147,600	75,900	95,500	137,000
1988	Jan	$87,400	$131,500	$67,800	$80,700	$117,900	$108,700	$145,800	$78,800	$ 98,700	$137,100
	Feb	88,100	135,600	67,300	84,800	118,600	110,400	147,700	77,200	103,000	138,500
	Mar	87,900	137,800	67,200	83,300	119,200	110,700	150,200	76,900	101,900	140,200
	Apr	87,300	138,200	67,600	81,100	116,200	108,700	150,600	77,300	97,900	136,500
	May	88,800	142,200	69,100	82,600	123,100	111,900	156,500	79,000	98,700	143,500
	Jun	90,200	147,300	70,000	83,800	127,000	115,400	158,800	81,100	103,500	147,700
	Jul	90,700	144,700	69,500	84,700	125,300	144,800	157,500	80,500	104,200	145,700
	Aug^r	91,400	146,600	69,900	83,400	126,900	115,100	159,300	81,100	102,400	147,900
	Sep^p	88,500	141,400	67,100	82,400	124,300	112,200	153,900	77,300	101,200	145,200

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS (Percentage Distribution)

Price Class	Sep 1984	Sep 1985	Sep 1986	Sep 1987[r]	Sep 1988[p]
$ 19,999 or under	2.2	1.6	1.5	1.8	2.0
$ 20,000-$ 29,999	3.8	3.3	2.5	2.4	2.6
$ 30,000-$ 39,999	7.1	6.2	5.3	4.9	5.0
$ 40,000-$ 49,999	10.5	9.2	8.2	7.9	7.2
$ 50,000-$ 59,999	12.4	11.7	10.5	9.2	8.6
$ 60,000-$ 69,999	11.9	11.8	11.2	10.0	9.3
$ 70,000-$ 79,999	10.9	10.3	10.3	9.3	8.6
$ 80,000-$ 89,999	8.7	9.1	9.3	8.2	7.9
$ 90,000-$ 99,999	6.4	6.5	7.0	6.2	6.0
$100,000-$119,999	8.3	8.6	9.2	8.7	8.6
$120,000-$159,999	9.5	11.2	11.7	13.4	13.5
$160,000-$199,999	3.9	4.7	5.6	7.5	7.9
$200,000-$249,999	2.0	2.7	3.4	4.6	5.2
$250,000 and over	2.4	3.1	4.3	5.9	7.6
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$71,900	$75,900	$80,300	$85,500	$88,500

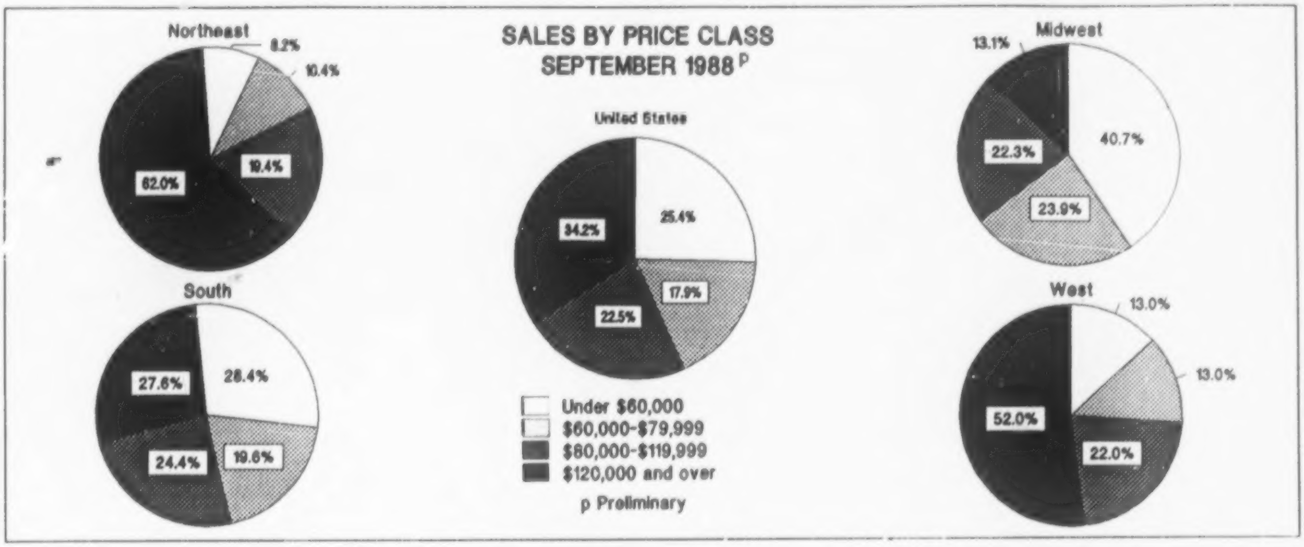
SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS SEPTEMBER 1988[p] (Percentage Distribution)

Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	17.4	15.1	19.1	15.1	20.5
3 Bedrooms	53.5	50.5	56.4	57.1	47.6
4 Bedrooms or more	29.1	34.4	24.5	27.8	31.9
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS SEPTEMBER 1988[p] (Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	2.0	1.3	3.7	1.7	0.9
$ 20,000 - $ 29,999	2.6	0.8	4.8	2.5	1.2
$ 30,000 - $ 39,999	5.0	1.1	8.6	5.7	2.2
$ 40,000 - $ 49,999	7.2	1.8	11.0	8.5	3.9
$ 50,000 - $ 59,999	8.6	3.2	12.6	10.0	4.8
$ 60,000 - $ 69,999	9.3	4.9	13.1	10.2	6.5
$ 70,000 - $ 79,999	8.6	5.5	10.8	9.4	6.5
$ 80,000 - $ 89,999	7.9	5.6	8.9	8.7	6.9
$ 90,000 - $ 99,999	6.0	5.0	6.3	6.4	5.7
$100,000 - $119,999	8.6	8.8	7.1	9.3	9.4
$120,000 - $159,999	13.5	21.8	7.4	12.9	16.5
$160,000 - $199,999	7.9	16.4	2.8	6.2	10.9
$200,000 - $249,999	5.2	9.6	1.3	3.5	9.6
$250,000 and over	7.6	14.2	1.6	5.0	15.0
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$88,500	$141,400	$67,100	$82,400	$124,300



SALES BY PRICE CLASS SEPTEMBER 1988 p

HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes Composite	Fixed	ARM
1982	$67,800	15.38%	$702	35.9%	$23,433	$33,713	69.5	69.4	69.7
1983	70,300	12.85	616	30.1	24,580	29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987r	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1987									
Sep	$85,500	9.25%	$563	22.1%	$30,504	$27,010	112.9	103.6	121.5
Oct	84,600	9.22	555	21.8	30,620	26,655	114.9	103.7	123.2
Nov	85,000	9.25	559	21.8	30,737	26,852	114.5	103.0	121.5
Dec	85,400	9.20	560	21.8	30,853	26,860	114.9	103.8	120.4
1988									
Jan	$87,400	9.24%	$575	22.3%	$30,388	$27,586	112.2	101.5	119.0
Feb	88,100	9.16	575	22.2	31,061	27,611	112.9	103.6	121.5
Mar	87,900	9.14	573	21.1	31,165	27,500	113.3	105.1	121.7
Apr	87,300	9.21	573	22.0	31,269	27,482	113.8	105.4	124.0
May	88,800	9.22	583	22.3	31,373	27,978	112.1	104.4	121.3
Jun	90,200	9.28	595	22.7	31,476	28,570	110.2	100.8	119.4
Jul	90,700	9.32	601	22.8	31,580	29,116	109.5	99.0	118.6
Augr	91,400	9.32	605	22.9	31,684	29,052	109.1	98.2	117.5
Sepp	88,500	9.29	585	22.1	31,788	28,056	113.3	100.9	121.4

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Affordability Index	Composite Affordability Index	Affordability GAP (Percent)
1982	$34,400	$5,760	$57,840	15.33%	15.63%	$682	$16,563	$32,721	50.6	69.5	-27.2
1983	59,800	5,980	53,820	12.85	13.10	600	17,109	28,799	59.4	83.2	-26.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987	72,800	7,280	65,520	9.28	9.53	552	21,360	36,513	80.6	113.8	-29.2
1987											
IIIr	$73,185	$7,319	$65,867	9.37%	9.62%	$560	$20,787	$26,862	77.4	110.8	-29.7
IVr	72,250	7,225	65,025	9.26	9.51	547	20,916	26,268	79.6	114.8	-30.6
1988											
Ir	$74,517	$7,452	$67,065	9.18%	9.43%	$560	$21,162	$26,904	78.7	113.1	-30.4
IIr	75,508	7,551	67,957	9.23	9.48	570	21,408	27,361	78.2	112.4	-30.4
IIIp	76,670	7,667	69,003	9.31	9.56	583	21,653	27,995	77.3	112.0	-31.0

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES (Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1982		130,000	45,000	26,000	39,000	20,000
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1987	III	370,000	201,000	66,000	73,000	31,000
	IV	340,000	169,000	57,000	81,000	33,000
1988	I	397,000	209,000	64,000	85,000	39,000
	II	389,000	186,000	73,000	81,000	47,000
	III^p	339,000	162,000	63,000	84,000	31,000

TOTAL EXISTING HOME SALES SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1982		2,120,000	399,000	516,000	819,000	386,000
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1987	III	3,810,000	880,000	950,000	1,350,000	630,000
	IV	3,730,000	840,000	950,000	1,340,000	610,000
1988	I	3,650,000	850,000	960,000	1,250,000	580,000
	II	4,030,000	890,000	950,000	1,420,000	690,000
	III^p	4,000,000	840,000	980,000	1,470,000	710,000

MEDIAN SALES PRICE OF APARTMENT CONDOS AND CO-OPS, QUARTERLY (Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1987	III	$80,300	$100,000	$65,800	$62,900	$101,500
	IV	78,300	108,800	58,700	59,100	99,300
1988	I	$81,200	$109,400	$57,700	$65,400	$104,200
	II	83,800	110,300	61,000	66,300	106,300
	III^p	79,000	107,500	61,500	63,900	107,800

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
				1987		1988		
	1985	1986	1987	III	IV	I	II	III^p
Alabama	59.7	60.8	59.7	57.1	59.2	52.4	50.4	55.1
Alaska	10.0	6.1	7.7	8.9	9.1	8.5	8.0	12.2
Arizona	71.7	73.8	67.3	68.6	65.9	53.4	60.0	71.8
Arkansas	49.8	52.8	48.2	46.8	44.0	39.0	51.2	47.9
California*	407.2	484.6	507.0	507.2	515.1	491.5	439.5	586.6
Colorado	49.3	47.5	46.7	40.2	41.8	38.6	52.3	53.1
Connecticut	56.0	52.0	52.5	54.5	50.8	53.6	61.9	60.1
Delaware	12.3	12.9	14.0	13.4	12.5	12.5	13.9	13.3
District of Columbia	9.9	11.6	10.5	10.4	9.3	11.3	10.2	10.6
Florida	151.3	169.4	184.2	179.8	206.1	168.9	171.1	195.2
Georgia	65.1	75.1	89.0	89.7	81.1	88.7	86.8	75.4
Hawaii	7.9	10.0	11.5	11.4	10.9	11.1	10.7	9.9
Idaho	11.5	11.3	10.9	9.4	11.3	10.9	11.1	12.1
Illinois	140.5	179.2	175.3	191.8	178.2	168.6	178.2	193.7
Indiana	90.1	86.1	89.8	83.5	75.2	83.5	96.1	78.3
Iowa	39.5	46.1	48.3	58.0	44.0	58.0	52.9	59.3
Kansas	47.4	54.4	54.4	49.0	47.9	53.6	48.5	51.9
Kentucky	57.7	58.6	64.1	62.8	78.3	66.0	68.6	72.5
Louisiana	44.1	34.0	40.4	41.2	37.8	33.7	26.8	32.3
Maine	27.1	30.8	35.2	35.1	33.4	30.0	36.9	35.4
Maryland	80.9	86.9	78.5	82.3	83.6	72.0	78.8	91.0
Massachusetts	80.5	84.6	100.5	97.2	100.4	96.0	96.6	78.3
Michigan	167.2	186.6	169.6	151.2	151.2	173.8	183.3	160.6
Minnesota	73.9	96.8	89.4	75.2	75.9	78.2	78.9	76.7
Mississippi	35.5	34.2	34.2	34.7	30.8	28.1	30.0	28.5
Missouri	85.8	88.4	88.4	81.3	83.3	94.5	77.2	81.3
Montana	11.1	11.9	11.6	10.5	12.6	9.7	12.2	12.4
Nebraska	24.5	25.5	23.3	20.3	20.3	26.2	21.3	21.3
Nevada	10.0	11.0	12.2	13.9	11.7	11.5	10.7	13.3
New Hampshire	19.3	20.3	19.2	20.4	22.5	16.8	12.8	16.1
New Jersey	148.8	159.6	157.3	160.5	130.0	148.8	160.5	142.5
New Mexico	19.8	19.5	20.0	19.9	17.1	16.5	21.0	18.2
New York	190.7	216.8	223.9	214.4	195.4	206.8	223.9	208.7
orth Carolina	123.3	139.2	140.6	140.4	130.9	135.7	130.9	147.1
North Dakota	8.9	9.5	11.2	10.0	11.1	13.0	10.2	10.7
Ohio	162.5	179.9	180.9	166.4	174.1	185.7	187.7	174.1
Oklahoma	46.8	49.4	44.6	46.1	46.8	44.5	45.3	52.8
Oregon	39.3	45.0	48.5	47.4	50.0	48.0	54.5	54.5
Pennsylvania	210.8	258.3	259.5	286.8	275.7	259.9	261.5	296.4
Rhode Island	13.2	13.5	13.4	14.2	12.6	12.5	16.1	13.4
South Carolina	52.6	58.0	60.9	64.0	58.4	43.8	71.1	72.1
South Dakota	11.3	13.2	13.0	12.6	12.8	14.9	15.9	14.6
Tennessee	99.2	112.0	111.2	112.3	103.6	99.6	102.0	96.4
Texas	203.8	198.9	224.3	234.9	237.8	212.3	223.6	246.3
Utah	15.5	14.6	14.6	13.7	14.0	14.0	14.0	14.6
Vermont	9.9	12.4	13.6	13.1	11.9	16.9	21.0	11.4
Virginia	107.2	130.4	113.0	110.3	107.4	111.4	112.5	111.4
Washington	43.8	50.6	43.6	53.2	39.3	45.4	48.9	54.1
West Virginia	37.7	39.7	36.6	37.8	31.0	55.9	48.9	38.4
Wisconsin^r	65.5	76.9	73.3	79.5	71.4	65.2	76.1	79.2
Wyoming	6.5	6.1	6.0	4.8	6.1	5.1	6.5	5.9

* Provided by the California Association of REALTORS®.

r Revised p Preliminary

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

(Not Seasonally Adjusted in Thousands of Dollars)

	Years			Quarters				
	1985	1986	1987	1987		1988		
Metropolitan Area				III	IV	I	II	III^{p}
Akron	$ 52.7	$ 56.2	$ 57.1	$ 57.8	$ 58.1	$ 57.1	$ 60.1	62.6
Albany/Schenectady/Troy	60.3	72.7	86.4	88.6	90.3	87.0	91.1	93.3
Albuquerque	76.8	81.6	82.6	84.4	79.8	79.7	81.6	83.4
Orange County(Anaheim/Santa Ana MSA)**r	135.8	147.7	167.3	171.2	174.9	183.8	204.0	226.2
Baltimore	72.6	74.0	81.1	81.9	84.3	83.6	87.3	92.3
Baton Rouge	74.6	70.9	67.8	69.2	65.5	65.7	64.5	64.1
Birmingham	64.5	68.3	71.6	71.6	73.9	73.1	76.5	77.3
Boston	134.2	159.2	177.2	182.2	177.5	176.9	182.9	184.1
Buffalo/Niagara Falls	46.7	52.4	56.7	56.6	59.2	64.1	64.8	66.6
Charleston	64.8	n/a	72.7	74.6	73.2	72.6	73.5	74.4
Chattanooga	52.3	55.3	59.0	58.8	60.3	61.2	63.2	64.2
Chicago	81.1	86.1	90.8	91.2	91.5	92.8	99.3	100.8
Cincinnati	60.2	n/a	66.1	66.9	69.1	66.7	69.6	72.3
Cleveland	64.4	66.9	68.1	68.5	67.6	66.5	69.9	69.8
Columbus	62.2	65.5	68.7	72.7	69.3	66.2	73.4	74.5
Dallas/Ft. Worth	87.7	92.8	89.2	89.3	85.8	85.9	85.5	84.7
Denver	84.3	86.4	88.9	91.0	86.5	83.7	83.4	81.1
Des Moines	52.5	55.9	55.6	56.2	52.1	54.5	58.2	55.0
Detroit	51.7	58.1	65.6	65.9	66.3	71.5	72.3	75.1
El Paso	57.6	59.0	59.2	62.6	58.6	57.8	60.5	62.0
Ft.Lauderdale/Hollywood/Pompano Beach	74.6	77.7	79.6	80.8	80.6	78.6	79.2	84.7
Grand Rapids	46.7	50.4	53.5	54.0	55.7	55.4	58.3	58.7
Hartford	99.6	129.0	157.4	165.4	163.9	166.4	169.0	168.8
Honolulu	162.1	172.0	186.0	190.6	193.3	198.4	198.7	226.0
Houston	78.6	69.9	65.9	67.3	62.8	60.2	63.5	65.5
Indianapolis	55.0	59.0	62.5	62.8	60.7	61.8	66.7	67.5
Jacksonville	58.4	62.8	65.1	66.3	65.2	68.9	67.4	67.2
Kansas City	61.4	65.4	69.8	69.2	68.5	70.9	71.9	69.9
Knoxville	58.2	60.3	65.4	66.1	65.6	66.3	65.5	69.1
Lansing	50.3	52.4	54.5	56.3	53.6	53.4	57.8	57.0
Las Vegas	75.1	77.5	77.0	76.7	76.7	75.7	77.9	80.7
Los Angeles Area**r	118.7	128.8	147.7	154.3	153.4	159.9	175.9	190.9
Louisville	50.6	51.7	51.7	53.3	51.5	52.2	54.1	56.7
Memphis	64.6	70.6	75.0	75.2	76.3	77.5	76.8	76.6
Miami/Hialeah	80.5	81.1	81.1	83.5	80.4	78.0	83.5	82.4
Milwaukee	67.5	69.9	70.5	70.9	70.8	72.6	75.3	75.6
Minneapolis/St Paul	75.2	77.9	80.5	80.9	80.6	84.4	84.3	86.0
Nashville/Davidson	66.1	70.8	75.5	75.7	77.2	77.6	78.3	78.1
New Orleans	n/a	n/a	n/a	n/a	74.1	73.0	73.2	74.8
New York/Northern New Jersey/Long Island	134.0	160.6	183.5	190.3	185.1	187.0	194.0	192.6
Oklahoma City	64.7	63.0	62.3	61.4	59.5	56.5	56.9	57.9
Omaha	58.3	58.8	59.0	59.7	57.5	58.3	58.7	60.3
Orlando	70.3	72.5	76.2	72.9	78.7	78.7	77.7	81.3
Philadelphia	74.0	82.4	97.0	104.9	92.6	97.7	101.9	101.2
Phoenix	74.7	78.4	80.9	82.7	80.4	79.0	79.1	82.3
Pittsburgh	n/a	n/.a	n/.a	n/a	n/a	60.9	62.2	66.3
Portland	61.5	62.6	64.2	64.0	66.3	62.9	64.9	64.8
Providence	67.5	87.6	121.4	126.6	127.6	123.3	130.4	131.9
Riverside/San Bernadino**r	87.3	94.5	96.1	99.9	97.1	95.5	104.9	109.6
Rochester	64.2	68.3	72.5	74.1	72.8	73.2	73.7	78.3
St. Louis	65.7	70.9	74.3	75.7	73.3	74.1	79.5	81.1
Salt Lake City/Ogden	66.7	68.5	69.4	71.1	67.9	65.3	66.9	70.0
San Antonio	67.7	69.2	70.2	72.1	67.6	63.4	65.2	68.2
San Diego**r	107.1	118.2	129.2	132.0	132.6	134.4	142.6	152.1
San Francisco Bay Area**r	140.6	161.2	171.3	175.9	176.0	178.8	196.0	213.7
Seattle/Tacoma	n/a	n/a	82.6	82.6	84.2	88.2	93.6	95.7
Syracuse	58.8	64.3	68.9	71.3	70.0	68.1	74.9	75.4
Tampa/St.Petersburg/Clearwater	58.4	61.1	63.8	65.0	63.4	60.2	65.5	67.9
Toledo	51.9	56.0	56.3	56.9	54.7	56.5	59.7	59.9
Tulsa	66.7	65.5	65.7	66.7	63.1	63.5	65.0	65.5
Washington, DC	97.1	101.6	114.2	117.7	121.5	132.4	131.2	135.8
West Palm Beach/Boca Raton/Delray Beach	88.3	92.6	102.6	99.1	102.4	91.5	94.8	111.0

n/a Not Available r Revised*

All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas. **Provided by the California Association of REALTORS®.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED (Thousands of Units)

Year		Total	In structures with – –			Regions			
			1 unit	2 to 4 units	5 units or more	Northeast	Midwest	South	West
1982		1,062	663	80	320	117	149	591	205
1983		1,703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
			Seasonally Adjusted Annual Rates						
1987	Sep	1,679	1,211	49	419	255	309	695	420
	Oct	1,538	1,105	67	366	254	251	622	411
	Nov	1,661	1,129	51	481	269	313	648	431
	Dec	1,399	1,035	51	313	222	281	576	320
1988	Jan	1,382	1,016	53	313	306	226	463	387
	Feb	1,519	1,102	59	358	307	259	593	360
	Mar	1,529	1,172	57	300	290	262	572	405
	Apr	1,584	1,093	58	433	265	345	595	379
	May	1,393	1,004	52	337	200	269	562	362
	Jun	1,465	1,092	62	311	241	263	584	377
	Jul[r]	1,477	1,068	51	358	257	285	562	373
	Aug[r]	1,431	1,075	61	295	204	239	563	425
	Sep[p]	1,453	1,050	63	340	212	254	552	435

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW ONE-FAMILY HOUSES SOLD (Thousands of houses sold during period)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		412	47	48	219	99					
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987		671	117	98	272	186					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Sep	644	116	77	271	181	52	10	6	22	13
	Oct	653	115	98	245	195	52	10	8	18	16
	Nov	625	154	89	206	176	43	12	6	14	12
	Dec	586	78	99	240	168	37	5	6	16	11
1988	Jan	579	101	94	206	178	43	7	5	16	15
	Feb	664	112	108	264	164	68	11	9	30	19
	Mar	664	114	91	280	179	68	11	9	30	19
	Apr	681	110	94	287	190	68	10	10	28	19
	May	681	101	94	291	195	64	10	10	27	18
	Jun[r]	718	113	93	287	224	65	11	8	25	20
	Jul[r]	700	99	94	283	224	57	9	9	23	17
	Aug[r]	715	102	95	299	220	59	8	8	24	17
	Sep[p]	659	89	96	216	258	51	7	12	17	19

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS MONTHS OF SEPTEMBER (Percentage Distribution)

Price Class	Sep 1984	Sep 1985	Sep 1986	Sep 1987^r	Sep 1988^p
Under $60,000	21	17	11	8	8
$60,000 to $79,999	29	28	23	17	15
$80,000 to $99,999	19	19	19	20	13
$100,000 to $119,999	8	11	15	13	13
$120,000 to $149,999	10	11	11	16	19
$150,000 and over	12	14	21	26	32
Median Sales Price	$81,300	$84,700	$95,000	$106,900	$118,900

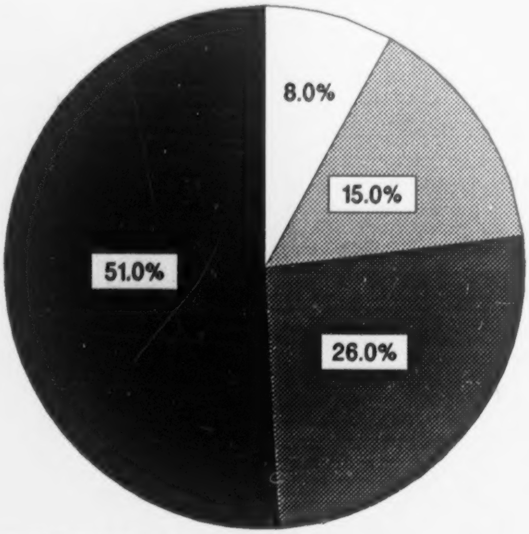
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS SECOND QUARTER 1988^p (Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	8	*	10	14	3
$60,000 to $79,999	16	*	20	26	9
$80,000 to $119,999	30	13	37	28	36
$120,000 and over	46	65	33	32	53
Median Sales Price	$112,400	$152,900	$99,900	$89,100	$124,000

* Insufficient Sample Size
p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS SEPTEMBER 1988^p (Percentage Distribution)



Source: U.S. Department of Commerce, Bureau of the Census
p Preliminary

REALTOR®

NATIONAL ASSOCIATION OF REALTORS®
Economics & Research Division
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Washington, D.C. 20005

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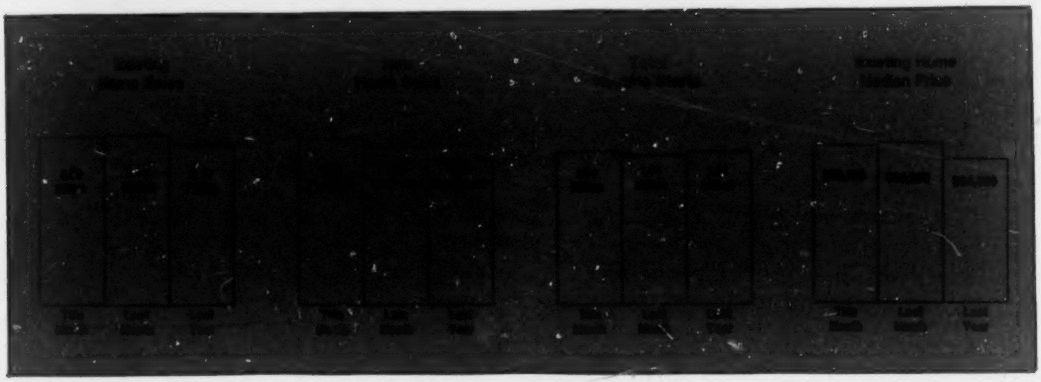
Vol. 2, No. 11

November 1988

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Existing and new home sales activity moved in opposite directions in October. Existing single-family home sales volume decreased 1.1 percent to a seasonally adjusted annual rate of 3,630,000 units while new home sales climbed 3.5 percent to a 733,000 unit rate.
- The inventory of homes available for sale fell 8.1 percent to a total 2,556,000 existing and new units. The months' supply of existing and new homes on the market decreased to 7.3 months and 5.9 months, respectively.
- Housing starts spurted 7.2 percent to a seasonally adjusted annual rate of 1,554,000 units. The strong overall increase was due to a 10.0 percent boost in single-family activity. Lagging multifamily activity slowed 1.8 percent to a 335,000 unit pace.
- October home prices were less than one percent below their September levels. The median price of an existing single-family home slipped to $88,100 while the new home price edged downward to $115,900.
- Rising interest rates had a negative impact on the Housing Affordability Index. The October Affordability index slipped six tenths of a point to 113.0. The first-time homebuyer affordability index remains well below the level of the national statistic at at 77.4.

ECONOMICS AND RESEARCH DIVISION
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SURVEY DESCRIPTION

Publication 1. "Home Sales" is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage 2. Each month the REALTORS®' Economics and Research Division receives data on existing single-family home sales from over 400 Boards of REALTORS® and multiple listing systems. In 1985 data on over 1,590,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions 4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows.

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH
Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST
Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST
Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	14	South	35
Midwest	28	West	23

Sales Volume 6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant "blow-up" factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report "closings." To the extent "closings" are contained in this series, they introduce a "distributive lag" effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price 10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a *standard home*. Prices are influenced by changes in cost *and* changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are *not seasonally adjusted*.

Seasonal Adjustment 13. Volume statistics are seasonally adjusted using the X-II Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading-day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium cooperative sales and state home sales are based on a quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

THE NATIONAL ASSOCIATION OF REALTORS® is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. The Association encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, or national origin.

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The Role of Real Estate

Make no mistake about it. Home sales are big business. The industry goes beyond the $400 billion which will be spent on resale homes this year–far beyond it.

Think about it for a minute. Most people choose to use a real estate agent to help them sell their home, or enlist the assistance of an agent who is trying to sell other homes when they want to buy. All-in-all, roughly 85 percent of home sales involve real estate professionals. These individuals are typically compensated by commissions based on the sales price of the home.

Other businesses are also directly involved in the home transfer process. Lawyers are frequently used in the closing of the deal. Home inspectors are called on to check the property over before the deal is final. Insurance agents are called on to write homeowners policies. Mortgage lenders make loans. Title insurers protect the buyer from unexpected encumberances on the property. And these are only the businesses involved at the actual point of sale!

Prior to listing their home for sale many owners undertake cosmetic repairs to the properties. While some of these expenditures may have been made even if the home wasn't going to be sold, in general these fix-up costs are directly related to the saleability of the home. Typical examples include a fresh coat of paint inside and out and cleaning/replacement of carpeting and the like. A freshly painted, clean home has far greater eye appeal, often resulting in a quicker sale at a higher price.

Expenditures on the home don't stop at the closing table. While the new buyers may be strapped for cash after the sale, they will still want to personalize their new home. Paint, carpet, draperies, furniture and the like are all purchases that are frequently made in the months immediately after a home purchase. The familiar "fixer-upper" home will receive an even greater expenditure.

The NATIONAL ASSOCIATION OF REALTORS®, recognizing the significance of home sales as an engine of economic activity, has prepared a report on the role of real estate in the economy. While the report was not restricted to the role of the housing market, the importance of housing in the overall real estate market is well understood and emphasized throughout the report.

Broadly defined real estate contributed roughly 24 percent of Gross National Product last year, a total of $1.1 trillion. Even narrowing the definition of real estate to exclude the hypothetical rent which owners of single-family homes pay to themselves, the real estate industry still accounts for 19 percent of private GNP.

More to the point of *Home Sales,* however, is how does a dollar spent on housing impact on economic activity? Clearly the answer is different for resale housing compared to new construction. For every dollar spent on a resale home the statistics indicate a final contribution to GNP of $1.99. Accordingly, the roughly $400 billion which will be spent on existing single-family homes this year will add nearly $800 billion to GNP by themselves. Condominium resales will directly and indirectly contribute another $60 billion.New construction adds up even faster. It is estimated that Americans will spend approximately $150 billion on new single-family homes this year, but because this new construction involves wages for construction workers and income to manufacturers of the many components of a home, the net effect on economic activity will be $6.58 for each dollar spent, or a total of $980 billion.

Thus, ownership housing directly and indirectly will benefit the U.S. economy in 1988 to the tune of $1.84 trillion. No matter how you look at it, its real money and a substantial factor on the U.S. economy.

Ultimately this is a story of jobs. Not just jobs for 800,000 REALTORS® or opportunities for 2 million licensed real estate agents and brokers. We are talking about an industry which directly or indirectly contributes to the livelihood of 6.6 million U.S. workers, roughly six percent of the civilian workforce.

What this means is that all Americans, whether or not they own their own home have a vested interest in preserving an active housing market – both for resales and for new construction. The power of the industry to pull the economy out of hard times has been demonstrated time and again. Now we have clear evidence of how actions which tend to reduce housing market activity, such as high mortgage rates or changes in tax laws which discourage housing transactions or construction, can effectively pull the economy down in very short order.

Glenn E. Crellin
Division Vice President

OCTOBER HOUSING MARKET

Housing markets were mixed in October with existing home sales a little below last month's pace and new home purchases increasing modestly—reflecting the combination of a slight dip in interest rates and a strong economy. Existing home sales in October were at a seasonally adjusted annual rate of 3,630,000 units, 1.1 percent below September and 4.6 percent above the same month a year ago. During the same period the new home sales rate picked up 3.5 percent to an annualized rate of 733,000 units, a sharp 12.3 percent above October of last year.

When viewed regionally, existing single-family home sales were mixed. Sales activity in the Northeast and South was unchanged at annualized rates of 650,000 units and 1,390,000 units, respectively. Concurrently, sales volume in the Midwest increased 2.2 percent from the prior month to a 930,000 unit pace while activity in the West slipped 2.8 percent to 700,000 units. While sales in the West were below last month's rate, activity in that region has been substantially above the level of a year ago. The year-to-year increase in the West is conspicuously above the other three regions.

Regional comparisons of new home sales reveal a mixed pattern with the Northeast posting a sharp 14.6 percent gain to a 110,000 unit seasonally adjusted annualized rate. Activity was also stronger in the Midwest and West with sales up 8.1 percent to 107,000 units and 5.1 percent to 266,000 units, respectively. By contrast, activity in the South slipped 3.9 percent to an annualized rate of 249,000 units.

Inventory Available for Sale

The increase in home sales was reflected in a decrease in the number of homes available for sale. During October the total number of existing and new homes on the market decreased 8.1 percent to 2,556,000 units.

With the decrease in the inventory of existing and new homes available for sale, the months' supply of existing and new homes slipped to 7.3 months and 5.9 months, respectively.

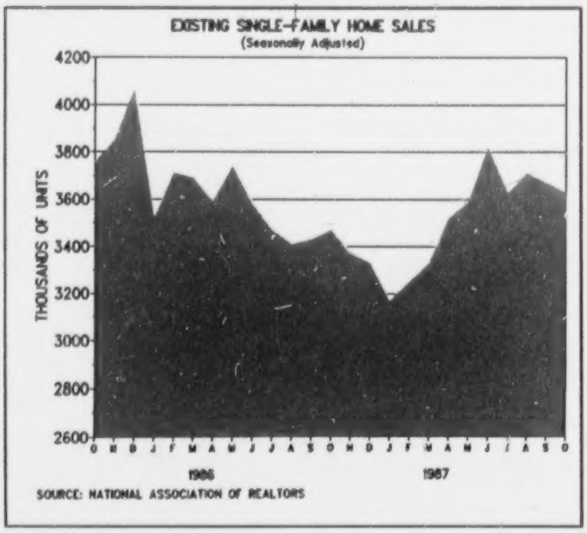
Housing Construction

Once again, single-family housing was the source of new construction strength while multifamily starts seemed to lack direction. Total private housing starts climbed 7.2 percent to a seasonally adjusted annual rate of 1,554,000 units. The basic thrust of this strength came from construction of one-unit structures which jumped 10.0 percent to the second highest level of the past 12 months. Multifamily starts decreased a modest 1.8 percent to a 335,000 unit rate and continue to languish within the last six month's range of 311,000 to 358,000 units.

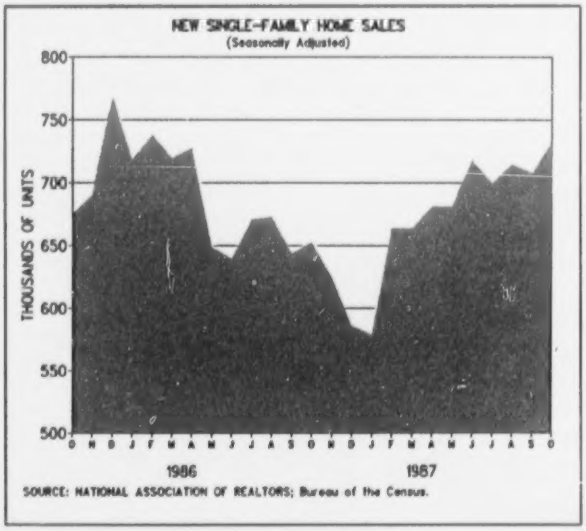
When viewed regionally, the Northeast continued in the general but erratic downtrend it's been in since the beginning of the year with 2.4 percent decrease to a seasonally adjusted annual rate of 202,000 units. By contrast, the other three regions posted increases, with the West reporting a 15.0 percent increase to 498,000 units. The Midwest and South posted more moderate gains of 7.6 percent to 268,000 units and 4.6 percent to 586,000 units, respectively.

Home Sales Prices

Home prices were marginally lower but still consistent with the usual seasonal declines that occur at this time of the year. Existing single-family home prices were marginally lower than last month at $88,100, but still 4.1 percent above a year ago. The new home median price also slipped a fraction of a percent to $115,900, 8.8 percent above October 1987.

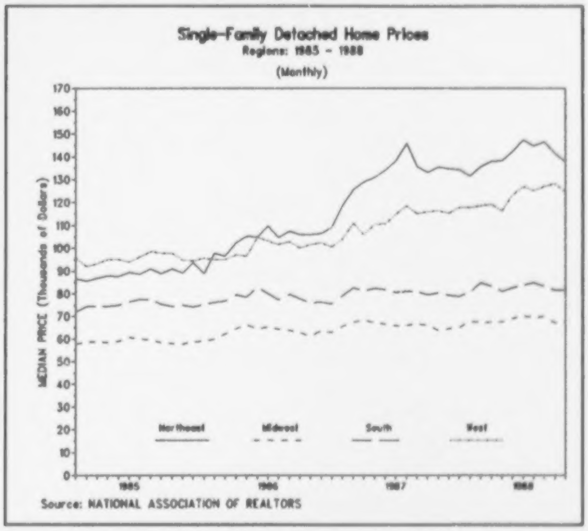

EXISTING SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS


NEW SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS; Bureau of the Census.

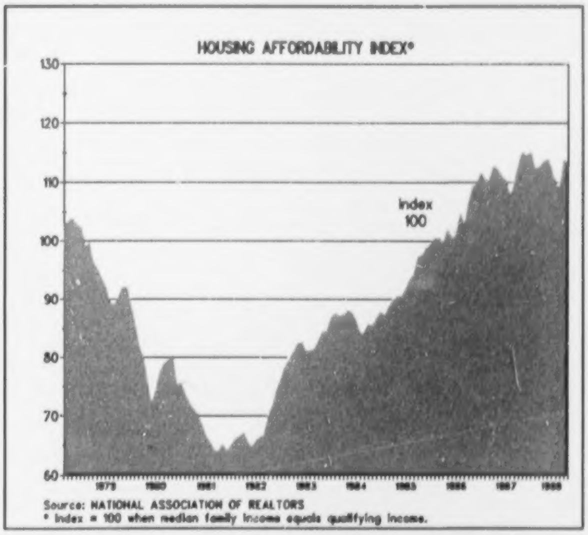
Regional comparisons show continued moderation in Northeast prices with only a 1.7 percent year-to-year increase to $137,600 in October. The South and West reported higher year-to-year increases of 6.0 percent to $67,600 and 6.9 percent to $124,400, respectively. All regions but the Northeast are within four percent of their all-time highs. The recently subdued Northeast is now about six percent below its high.


Single-Family Detached Home Prices
Regions: 1985 - 1988
(Monthly)

Source: NATIONAL ASSOCIATION OF REALTORS

Resale Housing Affordability

Rising interest rates pushed the Housing Affordability Index lower in October despite steady gains in median family income and a marginal decrease in the median price of an existing single-family home.


HOUSING AFFORDABILITY INDEX*

Source: NATIONAL ASSOCIATION OF REALTORS
* Index = 100 when median family income equals qualifying income.

The October affordability index slipped to 113.0 after lower home prices pushed it to 113.6 in September. An index of 113.0 means that a family earning the median income of $31,892 has 113.0 percent of the income necessary to marginally qualify for a conventional loan covering 80 percent of the median existing home price of $88,100 at prevailing mortgage rates.

The recent increases in the composite Housing Affordability Index have been accompanied by increases in the spread between the fixed-rate and adjustable rate mortgage indexes. This spread has now widened to 20 points, making ARMs relatively more attractive for homebuyers willing to risk higher monthly mortgage payments if interest rates continue to increase.

The plight of the first-time homebuyer has not eased. Newly revised third-quarter starter home price information has had only a marginal effect on the first-time homebuyer affordability index which is currently 77.4 and the affordability gap (the difference between the national Housing Affordability Index and the first time homebuyer affordability index) remains at 31.0 percent.

Condominium/Cooperative Resales

Nationwide, third quarter apartment condominium/cooperative resales fell 10.0 percent to 350,000 units on a seasonally adjusted annual rate basis, 5.4 percent below the level of the same quarter a year ago.

Regional comparisons point to year-to-year sales increases in three of the four regions. The South reported a particularly sharp 19.2 percent gain to an annual rate of 87,000 condo/co-op units while the Midwest and West registered more moderate increases of 1.5 percent to a 67,000 unit rate and 6.5 percent to a 33,000 unit pace, respectively. By contrast, sales in the Northeast were a steep 17.4 percent off last year's pace at a 166,000 unit rate.

Overall, apartment condo and cooperative prices appear to have softened in the third quarter, posting a year-to-year increase of less than one percent and clearly below the nationwide 3.8 percent increase reported for all single-family dwellings. The median sales price of apartment condos and co-ops fell 3.5 percent below the previous quarter and were less than one percent above the level of the same quarter a year ago.

Year-to-year comparisons show that price appreciation was by far strongest in the Northeast and West with increases of 13.0 percent to $113,000 and 9.0 percent to $110,600, respectively. The median price in the South was up less than one percent to $63,400. The Midwest posted a year-to-year decrease of 6.5 percent to $61,500.

Total Home Sales

Total third-quarter home sales including apartment condominiums and cooperatives decreased marginally to a seasonally adjusted annual rate of 4,020,000 units. Comparisons with the same quarter last year, however, show that activity was still 5.5 percent above last year's rate of 3,810,000 transactions. Further year-to-year comparisons show that annualized sales volume was up in three of the four regions with the South and West posting strong gains of 8.9 percent to 1,480,000 units and 12.7 percent to 710,000 transactions, respectively. By contrast, sales volume in the Northeast slackened a bit with that region reporting a 4.5 percent decrease to an 840,000 unit annualized rate.

State Resale Market

While the market may have cooled off somewhat, state-by-state analysis shows that over two thirds of the 51 states posted increases in sales volume when compared to the same quarter of last year. The ten states reporting the highest increases were: Alaska (37.1%), Colorado (32.1%), Idaho (28.7%), Wyoming (22.9%), Montana (18.1%), California (15.7%), Kentucky (15.4%),Oregon (15.0%), Oklahoma (14.5%), and South Dakota (14.0%).

By contrast, the ten states registering the greatest decreases were: Louisiana (-21.6%), New Hampshire (-21.1%), Massachusetts (-19.4%), Georgia (-15.6%), Mississippi (-15.0%), Tennessee (-14.2%), Hawaii (-13.2%), New Jersey (-11.2%), New Mexico (-8.5%), and Indiana (-6.2%).

Metropolitan Home Prices

While existing home prices have been in a general uptrend, some metro areas are price leaders and some are followers and they change places from time to time. For the most part, the leadership is currently provided by the East and West Coasts. The major players in this contest are identified below for metropolitan areas in our survey. The ten areas with the greatest price appreciation are: Orange County(Anaheim/Santa Ana) (32.1%), Los Angeles Area (23.7%), San Francisco Bay Area (21.5%), Honolulu (18.6%), Buffalo/Niagara Falls (17.7%), Seattle/ Tacoma (15.9%), Washington, DC (15.4%), San Diego (15.2%), Detroit (14.0%), and Baltimore (12.7%).

The extreme differences in United States housing costs is exemplified by comparing prices reported in our survey. For example, the highest priced metropolitan area listed is Orange County (Anaheim/Santa Ana MSA), which reports a median price of $226,200. Several other California metropolitan areas are close behind. Contrast this with Des Moines , Iowa where the median price is $55,000 or Lansing, Michigan with a median of $57,000. Numerous similar disparities can be found when comparing housing costs across the U.S.

Halvor Juul
Director of Surveys

State Home Resales
(Change from 3rd Quarter 1987)

Down 10% or More

- Georgia
- Hawaii
- Louisiana
- Massachusetts
- Mississippi
- New Hampshire
- New Jersey
- Tennessee

Down 0.1 – 9.9%

- Alabama
- Delaware
- Indiana
- Iowa
- Nevada
- New Mexico
- New York
- Rhode Island

Up 0.1 – 9.9%

- Arkansas
- Arizona
- District of Columbia
- Florida
- Illinois
- Kansas
- Maine
- Michigan
- Minnesota
- Missouri
- Nebraska
- North Carolina
- North Dakota
- Ohio
- Pennsylvania
- Texas
- Utah
- Vermont
- Virginia
- Washington
- West Virginia
- Wisconsin

Up 10% or More

- Alaska
- California
- Colorado
- Connecticut
- Idaho
- Kentucky
- Maryland
- Montana
- Oklahoma
- Oregon
- South Carolina
- South Dakota
- Wyoming

Metropolitan Home Sales Price
(Change from 3rd Quarter 1987)

Down

- Albuquerque
- Baton Rouge
- Charleston, SC
- Dallas/Ft. Worth
- Denver
- Des Moines
- El Paso
- Houston
- Miami/Hialeah
- Oklahoma City
- Philadelphia
- Phoenix
- Salt Lake City/Ogden
- San Antonio
- Tulsa

Up 0.1 – 4.9%

- Boston
- Cleveland
- Columbus
- Ft. Lauderdale/Hollywood/Pompano Beach
- Hartford
- Jacksonville
- Kansas City
- Knoxville
- Lansing
- Memphis
- Nashville/Davidson
- New York/Northern New Jersey/Long Island
- Omaha
- Portland
- Providence
- Tampa/St.Petersburg/Clearwater

Up 5.0 – 9.9%

- Akron
- Albany/Schenectady/Troy
- Birmingham
- Chattanooga
- Cincinnati
- Grand Rapids
- Indianapolis
- Las Vegas
- Louisville
- Milwaukee
- Minneapolis/St. Paul
- Riverside/San Bernadino
- Rochester
- St. Louis
- Syracuse
- Toledo

Up 10% or More

- Orange County(Anaheim/Santa Ana MSA)
- Baltimore
- Buffalo/Niagara Falls
- Chicago
- Detroit
- Honolulu
- Los Angeles
- Orlando
- San Diego
- San Francisco
- Seattle/Tacoma
- Washington, DC
- West Palm Beach/Boca Raton/Delray Beach

UNITED STATES SUMMARY

		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
Year		Existing	New	Existing	New	Existing	New	Existing	New
1982		1,990,000	412,000	1,910,000	255,000	*	*	$67,800	$ 69,300
1983		2,719,000	623,000	1,980,000	304,000	*	*	70,300	75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,000
1987	Oct	3,470,000	653,000	2,570,000	360,000	8.9	6.6	$84,600	$106,500
	Nov	3,370,000	625,000	2,490,000	362,000	8.9	7.1	85,000	117,000
	Dec	3,330,000	586,000	2,160,000	365,000	7.8	7.6	85,400	111,800
1988	Jan	3,170,000	579,000	2,280,000	368,000	8.6	7.7	$87,400	$119,000
	Feb	3,250,000	648,000	2,640,000	359,000	9.8	6.8	88,100	110,900
	Mar	3,330,000	664,000	2,820,000	372,000	10.2	6.8	87,900	108,900
	Apr	3,520,000	681,000	2,770,000	367,000	9.4	6.6	87,300	111,000
	May	3,590,000	681,000	2,740,000	370,000	9.2	6.7	88,800	110,000
	Jun	3,820,000	718,000	2,700,000	367,000	8.5	6.2	90,200	111,500
	Jul^{r}	3,630,000	700,000	2,500,000	365,000	8.3	6.2	90,700	118,000
	Aug	3,710,000	718,000	2,520,000	363,000	8.2	6.3	91,400	110,000
	Sep^{r}	3,670,000	708,000	2,420,000	361,000	7.9	6.4	88,200	117,000
	Oct^{p}	3,630,000	733,000	2,200,000	356,000	7.3	5.9	88,100	115,900

r Revised p Preliminary * not applicable
Source: New home sales data from Census Bureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		1,990,000	354,000	490,000	780,000	366,000					
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	868,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Oct	3,470,000	660,000	910,000	1,280,000	600,000	301,000	65,000	73,000	108,000	54,000
	Nov	3,370,000	640,000	890,000	1,260,000	560,000	241,000	43,000	55,000	102,000	40,000
	Dec	3,330,000	640,000	880,000	1,240,000	570,000	220,000	39,000	56,000	86,000	40,000
1988	Jan	3,170,000	610,000	920,000	1,090,000	530,000	191,000	37,000	48,000	73,000	31,000
	Feb	3,250,000	660,000	890,000	1,190,000	520,000	220,000	40,000	66,000	81,000	34,000
	Mar	3,330,000	650,000	880,000	1,230,000	570,000	303,000	53,000	86,000	111,000	52,000
	Apr	3,520,000	670,000	930,000	1,310,000	610,000	322,000	59,000	90,000	120,000	51,000
	May	3,590,000	720,000	920,000	1,310,000	640.000	344,000	65,000	93,000	123,000	60,000
	Jun	3,820,000	740,000	990,000	1,420,000	680,000	379,000	74,000	102,000	133,000	71,000
	Jul	3,630,000	690,000	910,000	1,360,000	650,000	331,000	66,000	85,000	122,000	56,000
	Aug	3,710,000	690,000	930,000	1,420,000	670,000	369,000	75,000	94,000	134,000	66,000
	Sep^{r}	3,670,000	650,000	910,000	1,390,000	720,000	318,000	63,000	73,000	114,000	66,000
	Oct^{p}	3,630,000	650,000	930,000	1,390,000	700,000	303,000	59,000	73,000	113,000	59,000

Components may not agree with totals due to rounding.
r Revised p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES
(Billions of Dollars)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		$160.2	$ 26.7	$29.7	$ 61.4	$41.8					
1983		225.9	42.1	44.6	84.4	53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Oct	$373.6	$100.1	$ 67.1	$124.0	$ 82.4	$31.9	$9.7	$5.4	$ 10.4	$ 7.4
	Nov	360.3	96.2	66.3	121.4	76.4	25.9	9.3	4.1	9.8	5.4
	Dec	358.3	95.0	67.0	118.3	78.0	23.5	5.8	4.3	8.1	5.5
1988	Jan	$344.8	$ 89.7	$72.5	$108.0	$ 72.7	$20.8	$ 5.4	$3.7	$ 7.2	$ 4.2
	Feb	361.1	97.9	68.6	122.4	72.2	24.0	5.9	5.1	8.3	4.7
	Mar	368.1	97.9	67.5	125.3	79.3	33.5	8.0	6.6	11.4	7.2
	Apr	382.2	101.4	71.9	123.3	83.2	35.0	8.9	6.9	11.8	6.9
	May	398.8	112.0	72.7	129.6	91.3	38.2	10.2	7.3	12.1	8.6
	Jun	441.0	117.0	81.0	146.8	100.5	43.7	11.8	8.3	13.7	10.4
	Jul	416.8	109.4	73.0	142.2	95.2	38.0	10.4	6.8	12.7	8.2
	Aug	426.7	110.6	75.5	145.2	99.3	42.5	11.9	7.6	13.7	9.8
	Sep[r]	412.0	100.5	69.8	138.6	106.5	35.8	9.7	5.6	11.3	9.7
	Oct[p]	401.2	97.3	73.1	136.6	100.7	33.8	8.8	5.7	11.1	8.7

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES
(Not Seasonally Adjusted)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
				Median					Average(Mean)		
1982		$67,800	$ 63,500	$55,100	$67,100	$ 98,900	$ 80,500	$ 75,400	$60,700	$ 78,700	$114,200
1983		70,300	72,200	56,600	69,200	94,900	83,100	85,400	62,900	81,500	111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1987	Oct	$84,600	$135,300	$63,800	$80,200	$116,400	$106,100	$148,800	$73,500	$ 96,600	$136,400
	Nov	85,000	134,500	64,400	79,200	115,400	106,600	146,700	74,800	96,200	135,800
	Dec	85,400	134,300	65,000	78,700	117,800	107,100	147,600	75,900	95,500	137,000
1988	Jan	$87,400	$131,500	$67,800	$80,700	$117,900	$108,700	$145,800	$78,800	$ 98,700	$137,100
	Feb	88,100	135,600	67,300	84,800	118,600	110,400	147,700	77,200	103,000	138,500
	Mar	87,900	137,800	67,200	83,300	119,200	110,700	150,200	76,900	101,900	140,200
	Apr	87,300	138,200	67,600	81,100	116,200	108,700	150,600	77,300	97,900	136,500
	May	88,800	142,200	69,100	82,600	123,100	111,900	156,500	79,000	98,700	143,500
	Jun	90,200	147,300	70,000	83,800	127,000	115,400	158,800	81,100	103,500	147,700
	Jul[r]	90,700	144,700	69,500	84,700	125,300	114,800	157,500	80,500	104,200	145,700
	Aug	91,400	146,600	69,900	83,400	126,900	115,100	159,300	81,100	102,400	147,900
	Sep[r]	88,200	141,500	67,000	81,400	128,300	112,300	154,100	76,800	99,600	148,800
	Oct[p]	88,100	137,600	67,600	81,600	124,400	110,500	149,300	78,500	98,200	144,300

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS
(Percentage Distribution)

Price Class	Oct 1984	Oct 1985	Oct 1986	Oct 1987[r]	Oct 1988[p]
$ 19,999 or under	2.4	1.8	1.5	2.0	2.3
$ 20,000-$ 29,999	3.9	3.3	2.7	3.0	2.6
$ 30,000-$ 39,999	7.2	6.4	5.6	5.8	4.8
$ 40,000-$ 49,999	10.5	9.5	8.7	7.9	7.4
$ 50,000-$ 59,999	12.1	11.9	10.5	9.5	8.5
$ 60,000-$ 69,999	11.9	11.7	11.1	9.7	9.0
$ 70,000-$ 79,999	10.5	10.5	10.1	8.6	9.0
$ 80,000-$ 89,999	8.4	8.7	9.1	7.7	8.1
$ 90,000-$ 99,999	6.3	6.0	6.8	5.7	6.3
$100,000-$119,999	8.2	8.4	9.1	8.9	8.9
$120,000-$159,999	9.7	11.2	11.5	13.6	13.3
$160,000-$199,999	4.1	4.7	5.7	7.0	7.9
$200,000-$249,999	2.2	2.6	3.4	4.6	5.1
$250,000 and over	2.6	3.1	4.3	6.0	6.9
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$71,900	$75,200	$79,400	$84,600	$88,100

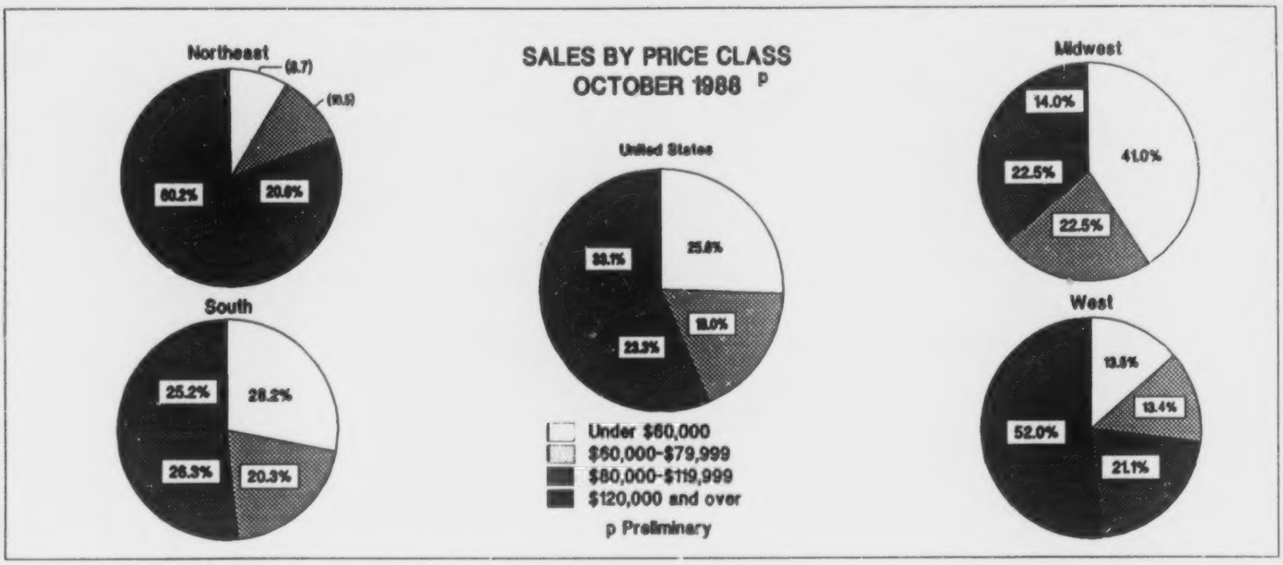
SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS
OCTOBER 1988[p]
(Percentage Distribution)

Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	16.3	14.0	19.9	15.0	21.6
3 Bedrooms	59.0	50.7	56.2	58.5	48.5
4 Bedrooms or more	24.7	35.3	23.9	26.5	29.9
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS
OCTOBER 1988[p]
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	2.3	1.4	3.6	1.8	1.9
$ 20,000 - $ 29,999	2.6	0.8	4.8	2.6	1.2
$ 30,000 - $ 39,999	4.8	1.5	8.1	5.3	1.9
$ 40,000 - $ 49,999	7.4	1.7	11.8	8.8	3.8
$ 50,000 - $ 59,999	8.5	3.3	12.8	9.7	4.7
$ 60,000 - $ 69,999	9.0	4.6	11.9	10.1	6.4
$ 70,000 - $ 79,999	9.0	5.9	10.6	10.2	7.0
$ 80,000 - $ 89,999	8.1	5.9	8.8	9.3	6.7
$ 90,000 - $ 99,999	6.3	5.0	6.3	7.2	5.6
$100,000 - $119,999	8.9	9.7	7.4	9.8	8.8
$120,000 - $159,999	13.3	22.2	7.9	11.9	16.1
$160,000 - $199,999	7.9	16.0	2.7	6.2	11.7
$200,000 - $249,999	5.1	10.2	1.7	3.0	9.4
$250,000 and over	6.9	11.9	1.7	4.1	14.8
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$88,100	$137,600	$67,600	$81,600	$124,400



HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate[9]	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes Composite	Fixed	ARM
1982	$67,800	15.38%	$702	35.9%	$23,433	$33,713	69.5	69.4	69.7
1983	70,300	12.85	616	30.1	24,580	29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987r	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1987									
Oct	$84,600	9.22%	$555	21.8%	$30,620	$26,655	114.9	103.7	123.2
Nov	85,000	9.25	559	21.8	30,737	26,852	114.5	103.0	121.5
Dec	85,400	9.20	560	21.8	30,853	26,860	114.9	103.8	120.4
1988									
Jan	$87,400	9.24%	$575	22.3%	$30,388	$27,586	112.2	101.5	119.0
Feb	88,100	9.16	575	22.2	31,061	27,611	112.9	103.6	121.5
Mar	87,900	9.14	573	21.1	31,165	27,500	113.3	105.1	121.7
Apr	87,300	9.21	573	22.0	31,269	27,482	113.8	105.4	124.0
May	88,800	9.22	583	22.3	31,373	27,978	112.1	104.4	121.3
Jun	90,200	9.28	595	22.7	31,476	28,570	110.2	100.8	119.4
Jul	90,700	9.32	601	22.8	31,580	29,116	109.5	99.0	118.6
Aug	91,400	9.32	605	22.9	31,684	29,052	109.1	98.2	117.5
Sepr	88,200	9.30	583	22.0	31,788	27,986	113.6	101.4	122.0
Octp	88,100	9.41	588	22.1	31,892	28,225	113.0	101.6	121.6

9 Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Affordability Index	Composite Affordability Index	Affordability GAP (Percent)
1982	$34,400	$5,760	$57,840	15.33%	15.63%	$682	$16,563	$32,721	50.6	69.5	-27.2
1983	59,800	5,980	53,820	12.85	13.10	600	17,109	28,799	59.4	83.2	-28.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987	72,800	7,280	65,520	9.28	9.53	552	21,360	36,513	80.6	113.8	-29.2
1987											
III	$73,185	$7,319	$65,867	9.37%	9.62%	$560	$20,787	$26,862	77.4	110.8	-29.7
IV	72,250	7,225	65,025	9.26	9.51	547	20,916	26,268	79.6	114.8	-30.6
1988											
I	$74,517	$7,452	$67,065	9.18%	9.43%	$560	$21,162	$26,904	78.7	113.1	-30.4
II	75,508	7,551	67,957	9.23	9.48	570	21,408	27,381	78.2	112.4	-30.4
IIIr	76,585	7,659	68,926	9.31	9.56	583	21,653	27,964	77.4	112.1	-31.0

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES
(Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1982		130,000	45,000	26,000	39,000	20,000
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1987	III	370,000	201,000	66,000	73,000	31,000
	IV	340,000	169,000	57,000	81,000	33,000
1988	I	397,000	209,000	64,000	85,000	39,000
	II	389,000	186,000	73,000	81,000	47,000
	III^r	350,000	166,000	67,000	87,000	33,000

TOTAL EXISTING HOME SALES
SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS
(Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1982		2,120,000	399,000	516,000	819,000	386,000
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1987	III	3,810,000	880,000	950,000	1,350,000	630,000
	IV	3,730,000	840,000	950,000	1,340,000	610,000
1988	I	3,650,000	850,000	960,000	1,250,000	580,000
	II	4,030,000	890,000	950,000	1,420,000	690,000
	III^r	4,020,000	840,000	980,000	1,480,000	710,000

MEDIAN SALES PRICE OF APARTMENT CONDOS AND CO-OPS, QUARTERLY
(Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1987	III	$80,300	$100,000	$65,800	$62,900	$101,500
	IV	78,300	108,800	58,700	59,100	99,300
1988	I	$81,200	$109,400	$57,700	$65,400	$104,200
	II	83,800	110,300	61,000	66,300	106,300
	III^r	80,900	113,000	61,500	63,400	110,600

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

	Years			Quarters (Seasonally Adjusted Annual Rate)				
				1987		1988		
State	1985	1986	1987	III	IV	I	II	III[r]
Alabama	59.7	60.8	59.7	57.1	59.2	52.4	50.4	55.1
Alaska	10.0	6.1	7.7	8.9	9.1	8.5	8.0	12.2
Arizona	71.7	73.8	67.3	68.6	65.9	53.4	60.0	71.8
Arkansas	49.8	52.8	48.2	46.8	44.0	39.0	51.2	47.9
California*	407.2	484.6	507.0	507.2	515.1	491.5	439.5	586.6
Colorado	49.3	47.5	46.7	40.2	41.8	38.6	52.3	53.1
Connecticut	56.0	52.0	52.5	54.5	50.8	53.6	61.9	60.1
Delaware	12.3	12.9	14.0	13.4	12.5	12.5	13.9	13.3
District of Columbia	9.9	11.6	10.5	10.4	9.3	11.3	10.2	10.6
Florida	151.3	169.4	184.2	179.8	206.1	168.9	171.1	195.2
Georgia	65.1	75.1	89.0	89.7	81.1	88.7	86.8	77.3
Hawaii	7.9	10.0	11.5	11.4	10.9	11.1	10.7	9.9
Idaho	11.5	11.3	10.9	9.4	11.3	10.9	11.1	11.7
Illinois	140.5	179.2	175.3	191.8	178.2	168.6	178.2	193.7
Indiana	90.1	86.1	89.8	83.5	75.2	83.5	96.1	78.3
Iowa	39.5	46.1	48.3	58.0	44.0	58.0	52.9	59.3
Kansas	47.4	54.4	54.4	49.0	47.9	53.6	48.5	51.9
Kentucky	57.7	58.6	64.1	62.8	78.3	66.0	68.6	70.5
Louisiana	44.1	34.0	40.4	41.2	37.8	33.7	26.8	32.3
Maine	27.1	30.8	35.2	35.1	33.4	30.0	36.9	35.1
Maryland	80.9	86.9	78.5	82.3	83.6	72.0	78.8	91.0
Massachusetts	80.5	84.6	100.5	97.2	100.4	96.0	96.6	85.9
Michigan	167.2	186.6	169.6	151.2	151.2	173.8	183.3	156.8
Minnesota	73.9	96.8	89.4	75.2	75.9	78.2	78.9	76.7
Mississippi	35.5	34.2	34.2	34.7	30.8	28.1	30.0	28.5
Missouri	85.8	88.4	88.4	81.3	83.3	94.5	77.2	81.3
Montana	11.1	11.9	11.6	10.5	12.6	9.7	12.2	12.4
Nebraska	24.5	25.5	23.3	20.3	20.3	26.2	21.3	21.3
Nevada	10.0	11.0	12.2	13.9	11.7	11.5	10.7	13.4
New Hampshire	19.3	20.3	19.2	20.4	22.5	16.8	12.8	16.1
New Jersey	148.8	159.6	157.3	160.5	130.0	148.8	160.5	129.1
New Mexico	19.8	19.5	20.0	19.9	17.1	16.5	21.0	18.5
New York	190.7	216.8	223.9	214.4	195.4	206.8	223.9	212.5
North Carolina	123.3	139.2	140.6	140.4	130.9	135.7	130.9	147.1
North Dakota	8.9	9.5	11.2	10.0	11.1	13.0	10.2	10.7
Ohio	162.5	179.9	180.9	166.4	174.1	185.7	187.7	174.1
Oklahoma	46.8	49.4	44.6	46.1	46.8	44.5	45.3	52.8
Oregon	39.3	45.0	48.5	47.4	50.0	48.0	54.5	54.5
Pennsylvania	210.8	258.3	259.5	286.8	275.7	259.9	261.5	296.4
Rhode Island	13.2	13.5	13.4	14.2	12.6	12.5	16.1	13.4
South Carolina	52.6	58.0	60.9	64.0	58.4	43.8	71.1	72.1
South Dakota	11.3	13.2	13.0	12.6	12.8	14.9	15.9	14.6
Tennessee	99.2	112.0	111.2	112.3	103.6	99.6	102.0	96.4
Texas	203.8	198.9	224.3	234.9	237.8	212.3	223.6	246.3
Utah	15.5	14.6	14.6	13.7	14.0	14.0	14.0	14.6
Vermont[r]	9.9	12.4	12.9	12.6	13.5	17.2	12.4	13.1
Virginia	107.2	130.4	113.0	110.3	107.4	111.4	112.5	111.4
Washington	43.8	50.6	43.6	53.2	39.3	45.4	48.9	54.1
West Virginia	37.7	39.7	36.6	37.8	31.0	55.9	48.9	38.4
Wisconsin	65.5	76.9	73.3	79.5	71.4	65.2	76.1	84.6
Wyoming	6.5	6.1	6.0	4.8	6.1	5.1	6.5	5.9

* Provided by the California Association of REALTORS®.

r Revised

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

(Not Seasonally Adjusted in Thousands of Dollars)

	Years			Quarters				
				1987		1988		
Metropolitan Area	1985	1986	1987	III	IV	I	II	III^r
Akron	$ 52.7	$ 56.2	$ 57.1	$ 57.8	$ 58.1	$ 57.1	$ 60.1	62.6
Albany/Schenectady/Troy	60.3	72.7	86.4	88.6	90.3	87.0	91.1	92.3
Albuquerque	76.8	81.6	82.6	84.4	79.8	79.7	81.6	83.4
Orange County(Anaheim/Santa Ana MSA)**	135.8	147.7	167.3	171.2	174.9	183.8	204.0	226.2
Baltimore	72.6	74.0	81.1	81.9	84.3	83.6	87.3	92.3
Baton Rouge	74.6	70.9	67.8	69.2	65.5	65.7	64.5	64.1
Birmingham	64.5	68.3	71.6	71.6	73.9	73.1	76.5	77.3
Boston	134.2	159.2	177.2	182.2	177.5	176.9	182.9	183.8
Buffalo/Niagara Falls	46.7	52.4	56.7	56.6	59.2	64.1	64.8	66.6
Charleston	64.8	n/a	72.7	74.6	73.2	72.6	73.5	74.4
Chattanooga	52.3	55.3	59.0	58.8	60.3	61.2	63.2	64.2
Chicago	81.1	86.1	90.8	91.2	91.5	92.8	99.3	100.8
Cincinnati	60.2	n/a	66.1	66.9	69.1	66.7	69.6	71.8
Cleveland	64.4	66.9	68.1	68.5	67.6	66.5	69.9	69.8
Columbus	62.2	65.5	68.7	72.7	69.3	66.2	73.4	74.5
Dallas/Ft. Worth	87.7	92.8	89.2	89.3	85.8	85.9	85.5	84.7
Denver	84.3	86.4	88.9	91.0	86.5	83.7	83.4	81.1
Des Moines	52.5	55.9	55.6	56.2	52.1	54.5	58.2	55.0
Detroit	51.7	58.1	65.6	65.9	66.3	71.5	72.3	76.4
El Paso	57.6	59.0	59.2	62.6	58.6	57.8	60.5	62.0
Ft.Lauderdale/Hollywood/Pompano Beach	74.6	77.7	79.6	80.8	80.6	78.6	79.2	84.7
Grand Rapids	46.7	50.4	53.5	54.0	55.7	55.4	58.3	59.0
Hartford	99.6	129.0	157.4	165.4	163.9	166.4	169.0	168.8
Honolulu	162.1	172.0	186.0	190.6	193.3	198.4	198.7	226.0
Houston	78.6	69.9	65.9	67.3	62.8	60.2	63.5	65.5
Indianapolis	55.0	59.0	62.5	62.8	60.7	61.8	66.7	67.5
Jacksonville	58.4	62.8	65.1	66.3	65.2	68.9	67.4	67.2
Kansas City	61.4	65.4	69.8	69.2	68.5	70.9	71.9	69.9
Knoxville	58.2	60.3	65.4	66.1	65.6	66.3	65.5	69.1
Lansing	50.3	52.4	54.5	56.3	53.6	53.4	57.8	57.0
Las Vegas	75.1	77.5	77.0	76.7	76.7	75.7	77.9	80.7
Los Angeles Area**	118.7	128.8	147.7	154.3	153.4	159.9	175.9	190.9
Louisville	50.6	51.7	51.7	53.3	51.5	52.2	54.1	56.0
Memphis	64.6	70.6	75.0	75.2	76.3	77.5	76.8	76.6
Miami/Hialeah	80.5	81.1	81.1	83.5	80.4	78.0	83.5	82.6
Milwaukee	67.5	69.9	70.5	70.9	70.8	72.6	75.3	75.6
Minneapolis/St Paul	75.2	77.9	80.5	80.9	80.6	84.4	84.3	86.0
Nashville/Davidson	66.1	70.8	75.5	75.7	77.2	77.6	78.3	78.1
New Orleans	n/a	n/a	n/a	n/a	74.1	73.0	73.2	74.8
New York/Northern New Jersey/Long Island	134.0	160.6	183.5	190.3	185.1	187.0	194.0	192.1
Oklahoma City	64.7	63.0	62.3	61.4	59.5	56.5	56.9	57.9
Omaha	58.3	58.8	59.0	59.7	57.5	58.3	58.7	60.3
Orlando	70.3	72.5	76.2	72.9	78.7	78.7	77.7	81.3
Philadelphia	74.0	82.4	97.0	104.9	92.6	97.7	101.9	106.5
Phoenix	74.7	78.4	80.9	82.7	80.4	79.0	79.1	82.3
Pittsburgh	n/a	n/.a	n/.a	n/a	n/a	60.9	62.2	66.3
Portland	61.5	62.6	64.2	64.0	66.3	62.9	64.9	64.8
Providence	67.5	87.6	121.4	126.6	127.6	123.3	130.4	131.9
Riverside/San Bernadino**	87.3	94.5	96.1	99.9	97.1	95.5	104.9	109.6
Rochester	64.2	68.3	72.5	74.1	72.8	73.2	73.7	78.3
St. Louis	65.7	70.9	74.3	75.7	73.3	74.1	79.5	81.1
Salt Lake City/Ogden	66.7	68.5	69.4	71.1	67.9	65.3	66.9	70.0
San Antonio	67.7	69.2	70.2	72.1	67.6	63.4	65.2	68.2
San Diego**	107.1	118.2	129.2	132.0	132.6	134.4	142.6	152.1
San Francisco Bay Area**	140.6	161.2	171.3	175.9	176.0	178.8	196.0	213.7
Seattle/Tacoma	n/a	n/a	82.6	82.6	84.2	88.2	93.6	89.8
Syracuse	58.8	64.3	68.9	71.3	70.0	68.1	74.9	75.4
Tampa/St.Petersburg/Clearwater	58.4	61.1	63.8	65.0	63.4	60.2	65.5	67.9
Toledo	51.9	56.0	56.3	56.9	54.7	56.5	59.7	59.9
Tulsa	66.7	65.5	65.7	66.7	63.1	63.5	65.0	65.5
Washington, DC	97.1	101.6	114.2	117.7	121.5	132.4	131.2	135.8
West Palm Beach/Boca Raton/Delray Beach	88.3	92.6	102.6	99.1	102.4	91.5	94.8	107.4

n/a Not Available r Revised*

All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas. **Provided by the California Association of REALTORS®.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Thousands of Units)

Year		Total	In structures with – –			Regions			
			1 unit	2 to 4 units	5 units or more	Northeast	Midwest	South	West
1982		1,062	663	80	320	117	149	591	205
1983		1,703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
			Seasonally Adjusted Annual Rates						
1987	Oct	1,538	1,105	67	366	254	251	622	411
	Nov	1,661	1,129	51	481	269	313	648	431
	Dec	1,399	1,035	51	313	222	281	576	320
1988	Jan	1,382	1,016	53	313	306	226	463	387
	Feb	1,519	1,102	59	358	307	259	593	360
	Mar	1,529	1,172	57	300	290	262	572	405
	Apr	1,584	1,093	58	433	265	345	595	379
	May	1,393	1,004	52	337	200	269	562	362
	Jun	1,465	1,092	62	311	241	263	584	377
	Jul	1,477	1,068	51	358	257	285	562	373
	Aug[r]	1,461	1,078	61	322	218	241	563	432
	Sep[r]	1,449	1,042	66	341	207	249	560	433
	Oct[p]	1,554	1,146	73	335	202	268	586	498

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW ONE-FAMILY HOUSES SOLD
(Thousands of houses sold during period)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		412	47	48	219	99					
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987		671	117	98	272	186					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Oct	653	115	98	245	195	52	10	8	18	16
	Nov	625	154	89	206	176	43	12	6	14	12
	Dec	586	78	99	240	168	37	5	6	16	11
1988	Jan	579	101	94	206	178	43	7	5	16	15
	Feb	664	112	108	264	164	68	11	9	30	19
	Mar	664	114	91	280	179	68	11	9	30	19
	Apr	681	110	94	287	190	68	10	10	28	19
	May	681	101	94	291	195	64	10	10	27	18
	Jun	718	113	93	287	224	65	11	8	25	20
	Jul[r]	703	104	93	283	222	57	9	8	23	17
	Aug[r]	718	101	100	298	220	59	8	10	24	17
	Sep[r]	708	96	99	259	253	55	8	8	20	19
	Oct[p]	733	110	107	249	266	58	10	8	18	22

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS MONTHS OF OCTOBER (Percentage Distribution)

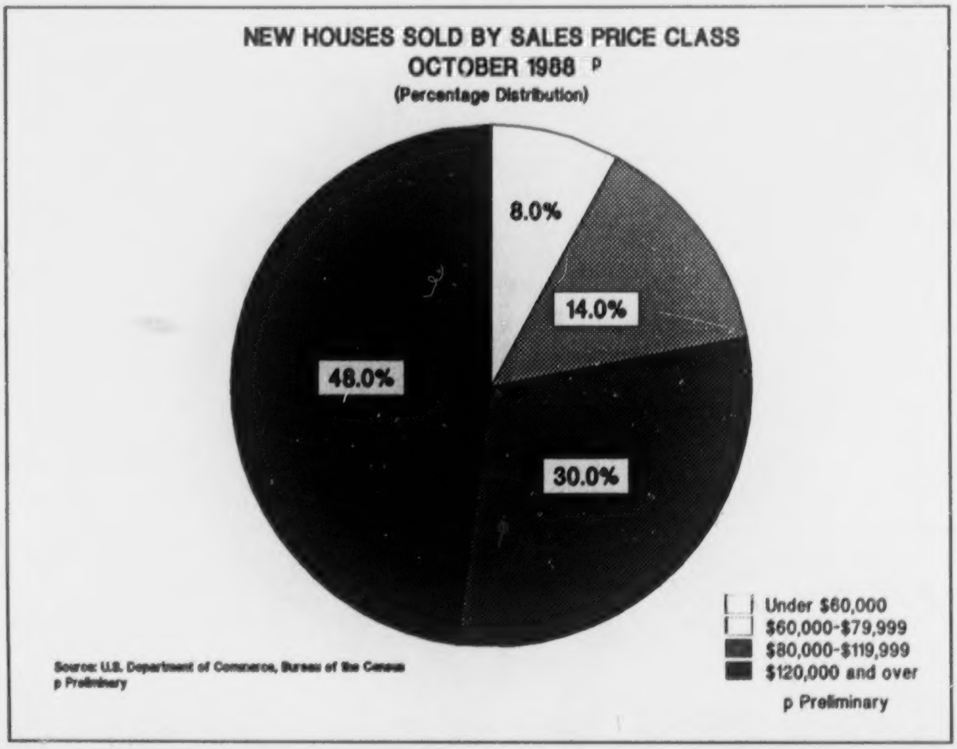
Price Class	Oct 1984	Oct 1985	Oct 1986	Oct 1987r	Oct 1988p
Under $60,000	16	18	13	11	8
$60,000 to $79,999	35	26	19	16	14
$80,000 to $99,999	19	21	23	20	17
$100,000 to $119,999	11	11	14	12	13
$120,000 to $149,999	9	10	12	16	16
$150,000 and over	10	14	20	26	32
Median Sales Price	$80,100	$85,400	$96,400	$106,500	$115,900

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS THIRD QUARTER 1988p (Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	8	*	16	11	*
$60,000 to $79,999	15	8	20	22	9
$80,000 to $119,999	28	13	32	32	30
$120,000 and over	49	79	32	35	61
Median Sales Price	$116,900	$156,000	$92,000	$94,900	$132,900

* Insufficient Sample Size
p Preliminary
Source: Census Bureau, U.S. Department of Commerce.



NEW HOUSES SOLD BY SALES PRICE CLASS
OCTOBER 1988 p
(Percentage Distribution)

Source: U.S. Department of Commerce, Bureau of the Census
p Preliminary

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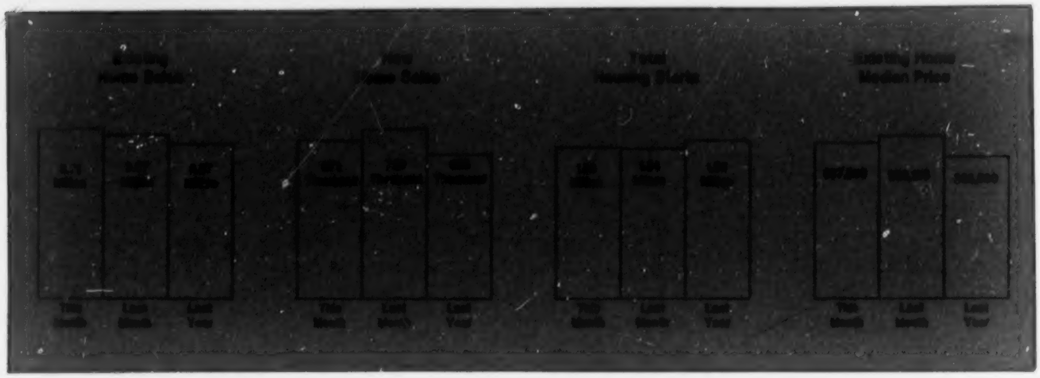
2/9/89

Vol. 2, No. 12 *December 1988*

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Existing and new home sales diverged in November. Existing home sales volume edged up 1.1 percent to a seasonally adjusted annual rate of 3,710,000 units while new home sales activity fell 8.0 percent to an annual rate of 671,000 units.
- The inventory of unsold homes rose a hefty 14.9 percent in November largely due to a sharp jump in the number of existing homes for sale. The months' supply of available homes climbed to 8.5 months for existing homes and 6.7 for new homes.
- Total new privately owned housing starts got a boost from multifamily activity and crept upward 1.4 percent in November to a seasonally adjusted annual rate of 1,563,000 units. This was still 5.9 percent below the level of a year ago.
- Seasonal price declines pushed existing and new home prices lower. The median price of an existing single-family home slipped $200 to $87,900, while remaining 3.4 percent above a year ago. The more volatile new home price was $4,800 lower at $110,200, still 5.8 percent above November a year ago.
- Increasing mortgage interest rates edged the affordability index down for the second straight month. In November the Housing Affordability Index decreased slightly to 112.9, still near its 12 month high of 114.9 reached last December.

REALTOR®
ECONOMICS AND RESEARCH DIVISION
NATIONAL ASSOCIATION OF REALTORS®
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SURVEY DESCRIPTION

Publication 1. "Home Sales" is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage 2. Each month the REALTORS®' Economics and Research Division receives data on existing single-family home sales from over 400 Boards of REALTORS® and multiple listing systems. In 1985 data on over 1,590,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions 4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows:

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH
Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST
Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST
Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	14	South	35
Midwest	28	West	23

Sales Volume 6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant "blow-up" factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report "closings." To the extent "closings" are contained in this series, they introduce a "distributive lag" effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price 10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a *standard home*. Prices are influenced by changes in cost *and* changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are *not seasonally adjusted*.

Seasonal Adjustment 13. Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading-day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium cooperative sales and state home sales are based on a quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

EQUAL HOUSING OPPORTUNITY

THE NATIONAL ASSOCIATION OF REALTORS® is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. The Association encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, or national origin.

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A New Year's Reflection

While this report provides data on the month of November, this will arrive just after the first of the year, and brings with it my wishes that each subscriber has a happy, healthy, and prosperous 1989.

The turn of the year is always a time for reflection, and this year is no different. We entered 1988 filled with uncertainty. The pall of the stock market problems of the previous October left consumers wary of big-ticket purchases, like homes. As a result, home sales in early 1988 were fairly sluggish. Then came spring with a non-seasonal uptick in mortgage rates, but we were lucky this year. Rather than the kind of spike seen the last two years, the upward movement was only a few basis points. In fact, through the first eleven months of the year the range of mortgage rates for loans closed has been a very stable 9.14 percent to 9.48 percent, only 34 basis points.

The stability of rates has meant that housing affordability was also remarkably stable. Throughout the year the Housing Affordability Index remained in a very narrow range of 109.1 to 113.8. The annual affordability index will indicate that after five years of increased improvement in affordability, 1988 registered no change for the aggregate of all homebuyers. Reiterating a familiar theme for this year, the situation was far less favorable for families trying to buy their first home. The gap in affordability between first-time and all buyers has been widening all year–even assuming that first-time buyers can amass the required downpayment and closing costs –often an heroic assumption.

For the last two years the primary real estate story has been a regional one with exceptionally strong performance in the Northeast, beginning around Boston and spreading South and West through Providence, Hartford, New York City, then across New York State and on down the East Coast. In 1988 the Northeast lost much of its luster in part in response to the extraordinarily high level of prices. The other side of this regional coin is the lacklustre performance of home sales markets in the energy belt. While home resale volume in Texas, Oklahoma, Louisiana, and Colorado has held up reasonably well, largely due to foreclosures or near-foreclosure sales, sales prices reflected the dire straights of the economics and the extraordinary pressure placed on the markets by the properties being liquidated at fire-sale prices or through auctions. Fortunately, this bleak picture is old news. While prices in 1988 have been lower in those communities than they were a year ago, a very encouraging trend has emerged. Home prices in Houston have been rising for two consecutive quarters. Hopefully the long awaited turnaround has begun.

No reflection is complete without looking ahead, and while I will refrain from New Years resolutions, there are plans on the drawing board which will change the report. Yes, the format will change again, but the change will be to add additional data. The most frequent requests received in our offices pertain to localized data. For example, "What is the affordability index for my area?" or "Why don't you publish data on my city?" In 1989 the list of metropolitan areas where home sales price data is reported will grow from 62 to at least 80 and housing affordability indices will be computed for at least some of the metropolitan areas on the list. The expanded format, however, will be held until we release data the first quarter of 1989.

Happy New Year!

Glenn E. Crellin
Divisional Vice President

NOVEMBER HOUSING MARKET

Strong underlying support from repeat homebuyers lent surprising strength to the existing home sales market in November while new home sales moved in the opposite direction. Existing home sales activity increased to a seasonally adjusted annual rate of 3,710,000 units, up 1.1 percent from October, and 10.1 percent higher than a year ago. New home sales volume, however, fell to an annual rate of 671,000 units, down 8.0 percent from October but still 7.4 percent above last November.

Regional comparisons of existing home sales reveal a mixed pattern. Sales in the Northeast picked up a modest 4.6 percent to a seasonally adjusted rate of 680,000 units. Similarly, activity in the Midwest rose 4.3 percent to an annualized rate of 960,000 units. The South was unchanged at a 1,400,000 rate while the West fell 7.0 percent to a 660,000 unit pace.

New home sales were lower in three of the four regions with the Northeast posting the sharpest month-to-month decrease of all, down 27.3 percent to a scant 72,000 unit rate -- further verification of a slowdown in the housing market in that region. Additional decreases were reported in the South and West, off 7.5 percent to an annual rate of 245,000 units and 6.8 percent to 233,000 units, respectively. By contrast, the Midwest posted a gain of 5.2 percent to 121,000 transactions.

Inventory Available for Sale

The total number of homes available for sale rose 14.9 percent to 3,000,000 units in November. The lion's share of the increase was due to a nearly 17 percent increase in existing homes for sale. The size of the new home inventory rose by a modest 2.8 percent to 365,000 structures.

The increase in the number of homes for sale lifted the months' supply of available housing to 8.5 months for existing homes and 6.7 months for new homes.

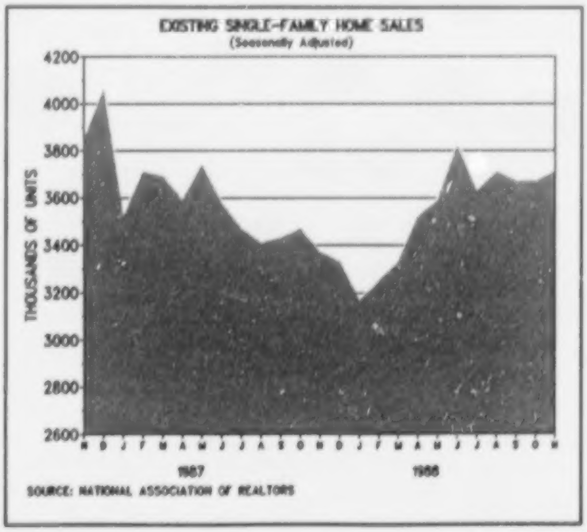
Housing Construction

The rate of new home construction was basically unchanged in November. New privately owned housing starts edged upward 1.4 percent to a seasonally adjusted annual rate of 1,563,000 units, 5.9 percent below the pace of a year ago. Most of this small month-to-month increase was generated by a modest 3.0 percent increase in multifamily housing activity. It is noteworthy that multifamily starts appear to be leveling off in the 300,000 to 350,000 unit range after trending downward since 1985. The impact of tax reform coupled with historically high vacancy rates is likely to keep this type of investment in low gear in the near future.

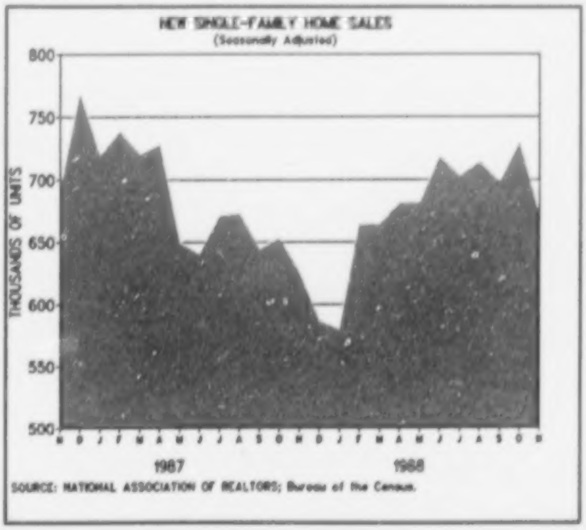
Month-to-month regional comparisons point to mixed performances. The Midwest reported a substantial monthly drop of 8.3 percent to an annualized rate of 244,000 units. The West followed with a decline of 2.2 percent to 479,000 starts. By contrast, after challenging the May 12-month low of 200,000 units, new construction in the Northeast rebounded 12.9 percent to a 228,000 unit rate. Activity turned upward in the South with a moderate 4.8 percent gain to a 612,000 unit pace.

Home Sales Prices

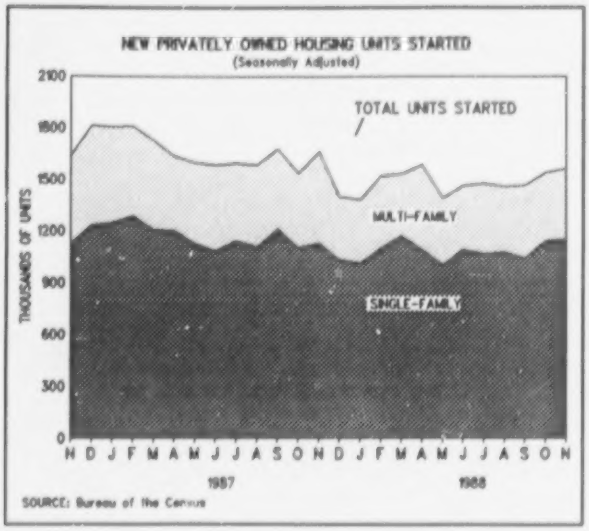
Home sales prices drifted somewhat lower in November with the existing home median price reflecting the seasonal declines that normally occur in the fall. The national price slipped $200 to $87,900, still up 3.4 percent from a year ago.


EXISTING SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

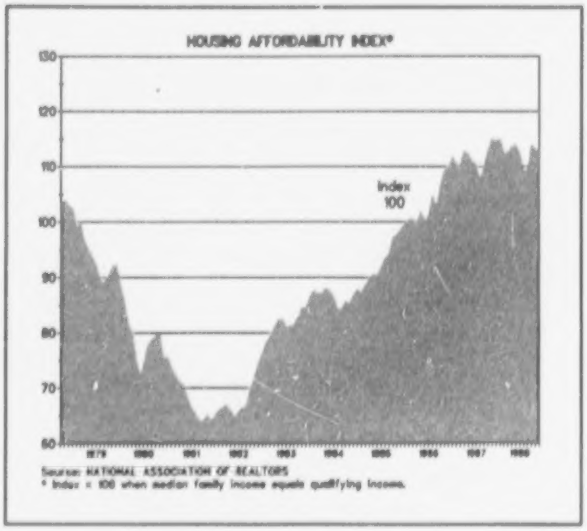
SOURCE: NATIONAL ASSOCIATION OF REALTORS


NEW SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS; Bureau of the Census.



SOURCE: Bureau of the Census



Source: NATIONAL ASSOCIATION OF REALTORS
* Index = 100 when median family income equals qualifying income.

From a regional standpoint, while prices moved slightly lower across the board on a month-to-month basis, they were still higher than a year ago. The Northeast, where price appreciation has moderated, reported a $1,900 decrease to $142,500, 5.9 percent above last year, and the Midwest slipped $700 to $66,700, up 3.8 percent from a year ago. The South edged $200 lower to $80,300, up 1.4 percent from 1987, and the West was $600 below the October level but still 6.0 percent ahead on the year.

New home prices, which tend to be more volatile than existing home prices, moved sharply lower in November. The median price of a new home fell $4,800 in November to $110,200. This represents a decline of 5.8 percent from the same month a year ago.

The price drop from last month kept new home prices within an approximate range of $110,000 to $120,000, forming what is essentially a year-long plateau above last year's level, and suggesting a pause in the rate of increase in new home prices.

Resale Housing Affordability

Housing affordability dropped for the second month in a row. In November, the Housing Affordability Index slipped a tenth of a point to 112.9 when higher mortgage interest rates more than offset a small decrease in existing home prices and a gain in median family income. An index of 112.9 means that a family earning the median income of $31,996 has 112.9 percent of the income necessary to marginally qualify for a conventional loan covering 80 percent of the median existing home price of $87,900 at prevailing mortgage rates.

This month's 7 basis point rise in interest rates had a negative impact on adjustable rate mortgages which abruptly narrowed the spread between the fixed-rate and adjustable-rate affordability indexes. The difference between the two indexes narrowed to 16.7 points from 20.0 points last month, reducing the advantage of ARMs as their changing terms put the borrower at greater risk to higher mortgage interest rates and monthly mortgage payments.

Condominium/Cooperative Resales

For the nation as a whole, total third quarter apartment, condo and co-op sales dropped 39,000 units to a seasonally adjusted annual rate of 350,000 transactions, 5.4 percent below the third quarter of 1987.

With the exception of the Northeast, year-to-year comparisons show a particularly good regional gain from the prior year. The previous strong sales leadership of the Northeast changed hands when that region experienced a 17.4 percent drop in activity to a seasonally adjusted annual rate of 166,000 units while the South reported a 19.2 percent jump to 87,000 units. Activity in the West was up 6.5 percent to a 33,000 unit pace while sales in the Midwest were about even with last year at an annualized rate of 67,000 transactions.

Apartment condo and cooperative prices turned downward in the third quarter. After posting an all-time high of $83,800 in the second quarter of the year, the median condo/co-op price in the third quarter slipped 3.5 percent to $80,900, less than one percent above the same quarter of a year ago. This was a considerably slower rate of increase than that for single-family homes which increased at a rate of 3.8 percent over the same period.

Regional comparisons show that prices were up on a year-to-year basis for all but one region. The Northeast and West posted the sharpest year-to-year increases of 13.0 percent to $113,000 and 9.0 percent to $110,600, respectively. The South registered a marginal gain of 0.8 percent to $63,400. By contrast, the Midwest reported a substantial drop of 6.5 percent to $61,500.

Total Home Resales

On a national basis, total existing single-family home sales including condos and co-ops decreased slightly in the third quarter after setting an all time high in the second quarter. Total volume slipped marginally to a seasonally adjusted annual rate of 4,020,000 units after reaching a 4,030,000 unit rate in the second quarter. Despite this slight decline, volume was still 5.5 percent above last year. A look at regional activity reveals what appears to be the onset of a cooling off of sales activity in the Northeast where sales volume fell 5.6 percent from the previous quarter to an annualized rate of 840,000 units, down 4.5 percent from a year ago. Sales activity in the other three regions was fairly balanced with monthly declines of roughly three to four percent with the Midwest reaching a sales rate of 980,000 units, up 3.2 percent from a year ago and the South and West at rates of 1,480,000 and 710,000, up 9.6 percent and 12.7 percent, respectively.

State Resale Market

Quarterly comparisons of state sales data point to an increase in sales activity during the third quarter with 30 states reporting quarter-to-quarter increases and 21 states registering quarter-to-quarter decreases. The cooling of the market in the Northeast is evidenced by the fact that, only 3 of the 9 Northeastern states(Vermont, New Hampshire, and Pennsylvania) reported quarter-to-quarter sales increases in the third period. On the other hand, the West has experienced an increase in sales volume with 10 of its 13 states (Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, Oregon, Utah and Washington,) reporting increases in activity. Activity in the Midwest and South was more evenly balanced between increases and decreases.

Metropolitan Home Sales Prices

Three out of every four metropolitan areas in our survey posted higher resale home prices in the third quarter of 1988. Of the 45 metro areas reporting higher prices, 13 registered price increases of 10 percent or more. Of those, six were in the West, four in the South, two in the Midwest, and only one in the Northeast.

By contrast, it is noteworthy that when compared with all other mets in the country, prices in the West tended to fall into two extreme price groups. Most of the mets reporting increases of 10 percent or more were from the West. At the same time, most of the mets reporting decreases were also in the West, but from the energy impacted sections.

Halvor M. Juul
Director of Surveys

State Home Resales
(Change from 3rd Quarter 1987)

Down 10% or More
- Georgia
- Hawaii
- Louisiana
- Massachusetts
- Mississippi
- New Hampshire
- New Jersey
- Tennessee

Down 0.1 – 9.9%
- Alabama
- Delaware
- Indiana
- Iowa
- Nevada
- New Mexico
- New York
- Rhode Island

Up 0.1 – 9.9%
- Arkansas
- Arizona
- District of Columbia
- Florida
- Illinois
- Kansas
- Maine
- Michigan
- Minnesota
- Missouri
- Nebraska
- North Carolina
- North Dakota
- Ohio
- Pennsylvania
- Texas
- Utah
- Vermont
- Virginia
- Washington
- West Virginia
- Wisconsin

Up 10% or More
- Alaska
- California
- Colorado
- Connecticut
- Idaho
- Kentucky
- Maryland
- Montana
- Oklahoma
- Oregon
- South Carolina
- South Dakota
- Wyoming

Metropolitan Home Sales Price
(Change from 3rd Quarter 1987)

Down
- Albuquerque
- Baton Rouge
- Charleston, SC
- Dallas/Ft. Worth
- Denver
- Des Moines
- El Paso
- Houston
- Miami/Hialeah
- Oklahoma City
- Philadelphia
- Phoenix
- Salt Lake City/Ogden
- San Antonio
- Tulsa

Up 0.1 – 4.9%
- Boston
- Cleveland
- Columbus
- Ft. Lauderdale/Hollywood/Pompano Beach
- Hartford
- Jacksonville
- Kansas City
- Knoxville
- Lansing
- Memphis
- Nashville/Davidson
- New York/Northern New Jersey/Long Island
- Omaha
- Portland
- Providence
- Tampa/St.Petersburg/Clearwater

Up 5.0 – 9.9%
- Akron
- Albany/Schenectady/Troy
- Birmingham
- Chattanooga
- Cincinnati
- Grand Rapids
- Indianapolis
- Las Vegas
- Louisville
- Milwaukee
- Minneapolis/St. Paul
- Riverside/San Bernadino
- Rochester
- St. Louis
- Syracuse
- Toledo

Up 10% or More
- Orange County(Anaheim/Santa Ana MSA)
- Baltimore
- Buffalo/Niagara Falls
- Chicago
- Detroit
- Honolulu
- Los Angeles
- Orlando
- San Diego
- San Francisco
- Seattle/Tacoma
- Washington, DC
- West Palm Beach/Boca Raton/Delray Beach

UNITED STATES SUMMARY

Year		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
		Existing	New	Existing	New	Existing	New	Existing	New
1982		1,990,000	412,000	1,910,000	255,000	*	*	$67,800	$ 69,300
1983		2,719,000	623,000	1,980,000	304,000	*	*	70,300	75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,000
1987	Nov	3,370,000	625,000	2,490,000	362,000	8.9	7.1	$85,000	$ 117,000
	Dec	3,330,000	586,000	2,160,000	365,000	7.8	7.6	85,400	111,800
1988	Jan	3,170,000	579,000	2,280,000	368,000	8.6	7.7	$87,400	$119,000
	Feb	3,250,000	648,000	2,640,000	359,000	9.8	6.8	88,100	110,900
	Mar	3,330,000	664,000	2,820,000	372,000	10.2	6.8	87,900	108,900
	Apr	3,520,000	681,000	2,770,000	367,000	9.4	6.6	87,300	111,000
	May	3,590,000	681,000	2,740,000	370,000	9.2	6.7	88,800	110,000
	Jun	3,820,000	718,000	2,700,000	367,000	8.5	6.2	90,200	111,500
	Jul	3,630,000	703,000	2,500,000	365,000	8.3	6.4	90,700	118,000
	Aug^{r}	3,710,000	714,000	2,520,000	363,000	8.2	6.3	91,400	110,000
	Sep^{r}	3,670,000	698,000	2,420,000	362,000	7.9	6.5	88,200	116,000
	Oct^{r}	3,670,000	729,000	2,250,000	355,000	7.4	6.0	88,100	115,000
	Nov^{p}	3,710,000	671,000	2,630,000	365,000	8.5	6.7	87,900	110,200

r Revised p Preliminary * not applicable
Source: New home sales data from Census Bureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		1,990,000	354,000	490,000	780,000	366,000					
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
				Seasonally Adjusted Annual Rates					Not Seasonally Adjusted		
1987	Nov	3,370,000	640,000	890,000	1,260,000	560,000	241,000	43,000	55,000	102,000	40,000
	Dec	3,330,000	640,000	880,000	1,240,000	570,000	220,000	39,000	56,000	86,000	40,000
1988	Jan	3,170,000	610,000	920,000	1,090,000	530,000	191,000	37,000	48,000	73,000	31,000
	Feb	3,250,000	660,000	890,000	1,190,000	520,000	220,000	40,000	66,000	81,000	34,000
	Mar	3,330,000	650,000	880,000	1,230,000	570,000	303,000	53,000	86,000	111,000	52,000
	Apr	3,520,000	670,000	930,000	1,310,000	610,000	322,000	59,000	90,000	120,000	51,000
	May	3,590,000	720,000	920,000	1,310,000	640.000	344,000	65,000	93,000	123,000	60,000
	Jun	3,820,000	740,000	990,000	1,420,000	680,000	379,000	74,000	102,000	133,000	71,000
	Jul	3,630,000	690,000	910,000	1,360,000	650,000	331,000	66,000	85,000	122,000	56,000
	Aug	3,710,000	690,000	930,000	1,420,000	670,000	369,000	75,000	94,000	134,000	66,000
	Sep	3,670,000	650,000	910,000	1,390,000	720,000	318,000	63,000	73,000	114,000	66,000
	Oct^{r}	3,670,000	650,000	920,000	1,400,000	710,000	309,000	59,000	72,000	114,000	61,000
	Nov^{p}	3,710,000	680,000	960,000	1,400,000	660,000	277,000	46,000	63,000	119,000	50,000

Components may not agree with totals due to rounding.
r Revised p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES (Billions of Dollars)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		$160.2	$ 26.7	$29.7	$ 61.4	$41.8					
1983		225.9	42.1	44.6	84.4	53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
				Seasonally Adjusted Annual Rates					Not Seasonally Adjusted		
1987	Nov	$ 360.3	$ 96.2	$ 66.3	$121.4	$ 76.4	$25.9	$ 9.3	$4.1	$ 9.8	$ 5.4
	Dec	358.3	95.0	67.0	118.3	78.0	23.5	5.8	4.3	8.1	5.5
1988	Jan	$344.8	$ 89.7	$72.5	$108.0	$ 72.7	$20.8	$ 5.4	$3.7	$ 7.2	$ 4.2
	Feb	361.1	97.9	68.6	122.4	72.2	24.0	5.9	5.1	8.3	4.7
	Mar	368.1	97.9	67.5	125.3	79.3	33.5	8.0	6.6	11.4	7.2
	Apr	382.2	101.4	71.9	123.3	83.2	35.0	8.9	6.9	11.8	6.9
	May	398.8	112.0	72.7	129.6	91.3	38.2	10.2	7.3	12.1	8.6
	Jun	441.0	117.0	81.0	146.8	100.5	43.7	11.8	8.3	13.7	10.4
	Jul	416.8	109.4	73.0	142.2	95.2	38.0	10.4	6.8	12.7	8.2
	Aug	426.7	110.6	75.5	145.2	99.3	42.5	11.9	7.6	13.7	9.8
	Sep	412.0	100.5	69.8	138.6	106.5	35.8	9.7	5.6	11.3	9.7
	Oct[r]	406.9	101.5	66.4	136.4	101.2	34.3	9.2	5.2	11.0	8.7
	Nov[p]	409.3	104.9	74.5	137.7	95.7	30.9	7.1	4.8	11.7	7.2

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES (Not Seasonally Adjusted)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
				Median					Average (Mean)		
1982		$67,800	$ 63,500	$55,100	$67,100	$ 98,900	$ 80,500	$ 75,400	$60,700	$ 78,700	$114,200
1983		70,300	72,200	56,600	69,200	94,900	83,100	85,400	62,900	81,500	111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1987	Nov	$85,000	$134,500	$ 64,400	$79,200	$115,400	$ 106,600	$146,700	$ 74,800	$ 96,200	$135,800
	Dec	85,400	134,300	65,000	78,700	117,800	107,100	147,600	75,900	95,500	137,000
1988	Jan	$87,400	$131,500	$67,800	$80,700	$117,900	$108,700	$145,800	$78,800	$ 98,700	$137,100
	Feb	88,100	135,600	67,300	84,800	118,600	110,400	147,700	77,200	103,000	138,500
	Mar	87,900	137,800	67,200	83,300	119,200	110,700	150,200	76,900	101,900	140,200
	Apr	87,300	138,200	67,600	81,100	116,200	108,700	150,600	77,300	97,900	136,500
	May	88,800	142,200	69,100	82,600	123,100	111,900	156,500	79,000	98,700	143,500
	Jun	90,200	147,300	70,000	83,800	127,000	115,400	158,800	81,100	103,500	147,700
	Jul	90,700	144,700	69,500	84,700	125,300	114,800	157,500	80,500	104,200	145,700
	Aug	91,400	146,600	69,900	83,400	126,900	115,100	159,300	81,100	102,400	147,900
	Sep	88,200	141,500	67,000	81,400	128,300	112,300	154,100	76,800	99,600	148,800
	Oct[r]	88,100	144,400	67,400	80,500	122,900	110,900	155,700	78,200	97,100	143,200
	Nov[p]	87,900	142,500	66,700	80,300	122,300	110,400	154,600	77,400	96,200	144,500

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS
(Percentage Distribution)

Price Class	Nov 1984	Nov 1985	Nov 1986	Nov 1987r	Nov 1988^p
$ 19,999 or under	2.4	1.8	1.4	2.0	2.4
$ 20,000-$ 29,999	3.8	3.4	2.6	3.0	2.8
$ 30,000-$ 39,999	7.8	6.4	5.4	5.4	5.0
$ 40,000-$ 49,999	10.1	9.7	8.6	7.8	7.3
$ 50,000-$ 59,999	12.2	11.7	10.4	9.3	8.7
$ 60,000-$ 69,999	12.1	11.9	11.1	9.8	9.2
$ 70,000-$ 79,999	10.9	10.2	10.0	8.8	8.5
$ 80,000-$ 89,999	8.6	8.6	8.7	7.9	7.7
$ 90,000-$ 99,999	6.3	6.1	6.7	6.0	5.9
$100,000-$119,999	8.4	9.6	9.1	8.8	8.4
$120,000-$159,999	9.7	10.7	11.9	13.4	13.4
$160,000-$199,999	4.0	4.5	6.2	7.0	7.8
$200,000-$249,999	2.1	2.4	3.5	4.6	5.4
$250,000 and over	2.1	3.0	4.4	6.2	7.5
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$71,900	$74,900	$80,400	$85,000	$88,100

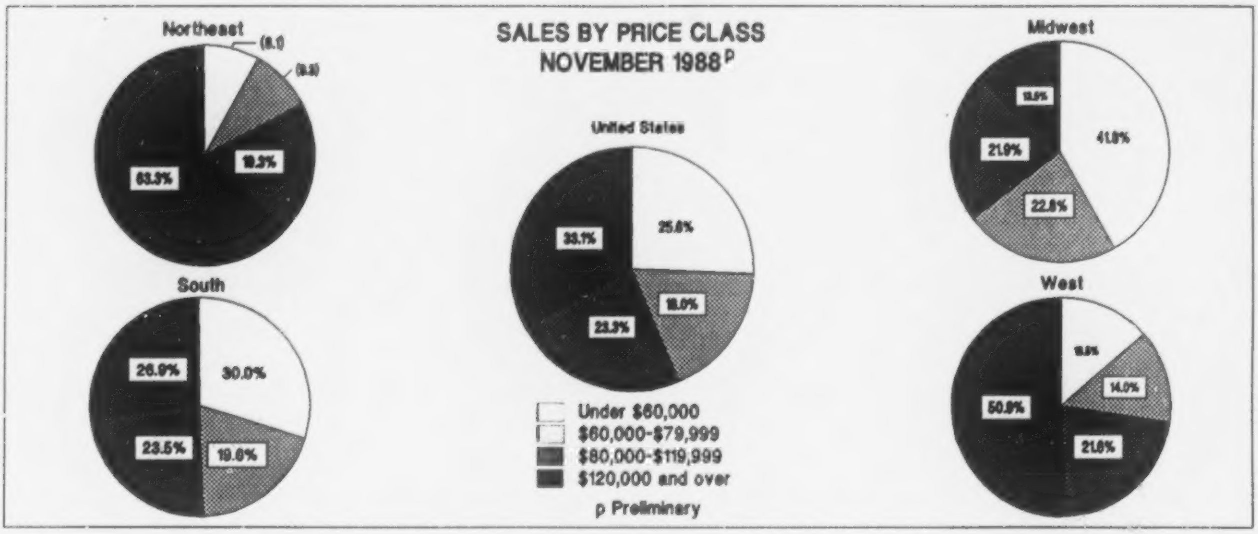
SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS
NOVEMBER 1988^p
(Percentage Distribution)

Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	18.3	16.5	19.4	16.7	20.8
3 Bedrooms	53.7	48.0	56.3	56.0	50.4
4 Bedrooms or more	28.0	35.5	24.3	27.3	28.8
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS
NOVEMBER 1988^p
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	2.4	1.8	3.8	2.5	0.8
$ 20,000 - $ 29,999	2.8	0.8	5.1	3.0	1.1
$ 30,000 - $ 39,999	5.0	1.0	8.6	5.8	2.1
$ 40,000 - $ 49,999	7.3	1.9	11.6	8.3	4.1
$ 50,000 - $ 59,999	8.7	2.6	12.7	10.4	5.4
$ 60,000 - $ 69,999	9.2	4.5	12.4	10.3	6.4
$ 70,000 - $ 79,999	8.5	4.8	10.4	9.3	7.6
$ 80,000 - $ 89,999	7.7	5.3	8.6	8.3	7.1
$ 90,000 - $ 99,999	5.9	4.5	6.7	6.2	5.4
$100,000 - $119,999	8.4	9.5	6.6	9.0	9.1
$120,000 - $159,999	13.4	22.3	7.6	12.4	16.0
$160,000 - $199,999	7.8	16.3	2.9	6.1	10.3
$200,000 - $249,999	5.4	11.1	1.4	3.4	9.6
$250,000 and over	7.5	13.6	1.6	5.0	15.1
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$88,100	$142,500	$66,700	$80,300	$122,300



SALES BY PRICE CLASS NOVEMBER 1988^p

p Preliminary

HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes		
							Composite	Fixed	ARM
1982	$67,800	15.38%	$702	35.9%	$23,433	$33,713	69.5	69.4	69.7
1983	70,300	12.85	616	30.1	24,580	29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987r	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1987									
Nov	$ 85,000	9.25%	$559	21.8%	$30,737	$26,852	114.5	103.0	121.5
Dec	85,400	9.20	560	21.8	30,853	26,860	114.9	103.8	120.4
1988									
Jan	$87,400	9.24%	$575	22.3%	$30,388	$27,586	112.2	101.5	119.0
Feb	88,100	9.16	575	22.2	31,061	27,611	112.9	103.6	121.5
Mar	87,900	9.14	573	21.1	31,165	27,500	113.3	105.1	121.7
Apr	87,300	9.21	573	22.0	31,269	27,482	113.8	105.4	124.0
May	88,800	9.22	583	22.3	31,373	27,978	112.1	104.4	121.3
Jun	90,200	9.28	595	22.7	31,476	28,570	110.2	100.8	119.4
Jul	90,700	9.32	601	22.8	31,580	29,116	109.5	99.0	118.6
Aug	91,400	9.32	605	22.9	31,684	29,052	109.1	98.2	117.5
Sep	88,200	9.30	583	22.0	31,788	27,986	113.6	101.4	122.0
Oct^r	88,100	9.41	588	22.1	31,892	28,225	113.0	101.6	121.6
Nov^p	87,900	9.48	590	22.1	31,996	28,333	112.9	103.5	120.2

* Effective rate on loans closed on axisting homes—Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Affordability Index	Composite Affordability Index	Affordability GAP (Percent)
1982	$57,600	$5,760	$57,840	15.33%	15.63%	$682	$16,563	$32,721	50.6	69.5	-27.2
1983	59,800	5,980	53,820	12.85	13.10	600	17,109	28,799	59.4	83.2	-28.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987	72,800	7,280	65,520	9.28	9.53	552	21,360	26,513	80.6	113.8	-29.2
1987											
III	$73,185	$7,319	$65,867	9.37%	9.62%	$560	$20,787	$26,862	77.4	110.8	-29.7
IV	72,250	7,225	65,025	9.26	9.51	547	20,916	26,268	79.6	114.8	-30.6
1988											
I	$74,517	$7,452	$67,065	9.18%	9.43%	$560	$21,162	$26,904	78.7	113.1	-30.4
II	75,508	7,551	67,957	9.23	9.48	570	21,408	27,381	78.2	112.4	-30.4
III	76,585	7,659	68,926	9.31	9.56	583	21,653	27,964	77.4	112.1	-31.0

* Effective rate on loans closed on existing homes—Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES (Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1982		130,000	45,000	26,000	39,000	20,000
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1987	III	370,000	201,000	66,000	73,000	31,000
	IV	340,000	169,000	57,000	81,000	33,000
1988	I	397,000	209,000	64,000	85,000	39,000
	II	389,000	186,000	73,000	81,000	47,000
	III	350,000	166,000	67,000	87,000	33,000

TOTAL EXISTING HOME SALES SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1982		2,120,000	399,000	516,000	819,000	386,000
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1987	III	3,810,000	880,000	950,000	1,350,000	630,000
	IV	3,730,000	840,000	950,000	1,340,000	610,000
1988	I	3,650,000	850,000	960,000	1,250,000	580,000
	II	4,030,000	890,000	950,000	1,420,000	690,000
	III	4,020,000	840,000	980,000	1,480,000	710,000

MEDIAN SALES PRICE OF APARTMENT CONDOS AND CO-OPS, QUARTERLY (Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1987	III	$80,300	$100,000	$65,800	$62,900	$101,500
	IV	78,300	108,800	58,700	59,100	99,300
1988	I	$81,200	$109,400	$57,700	$65,400	$104,200
	II	83,800	110,300	61,000	66,300	106,300
	III	80,900	113,000	61,500	63,400	110,600

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
	1985	1986	1987	1987		1988		
				III	IV	I	II	III
Alabama	59.7	60.8	59.7	57.1	59.2	52.4	50.4	55.1
Alaska	10.0	6.1	7.7	8.9	9.1	8.5	8.0	12.2
Arizona	71.7	73.8	67.3	68.6	65.9	53.4	60.0	71.8
Arkansas	49.8	52.8	48.2	46.8	44.0	39.0	51.2	47.9
California*	407.2	464.6	507.0	507.2	515.1	491.5	439.5	586.6
Colorado	49.3	47.5	46.7	40.2	41.8	38.6	52.3	53.1
Connecticut	56.0	52.0	52.5	54.5	50.8	53.6	61.9	60.1
Delaware	12.3	12.9	14.0	13.4	12.5	12.5	13.9	13.3
District of Columbia	9.9	11.6	10.5	10.4	9.3	11.3	10.2	10.6
Florida	151.3	169.4	184.2	179.8	206.1	168.9	171.1	195.2
Georgia	65.1	75.1	89.0	89.7	81.1	88.7	86.8	77.3
Hawaii	7.9	10.0	11.5	11.4	10.9	11.1	10.7	9.9
Idaho	11.5	11.3	10.9	9.4	11.3	10.9	11.1	11.7
Illinois	140.5	179.2	175.3	191.8	178.2	168.6	178.2	193.7
Indiana	90.1	86.1	89.8	83.5	75.2	83.5	96.1	78.3
Iowa	39.5	46.1	48.3	58.0	44.0	58.0	52.9	59.3
Kansas	47.4	54.4	54.4	49.0	47.9	53.6	48.5	51.9
Kentucky	57.7	58.6	64.1	62.8	78.3	66.0	68.6	70.5
Louisiana	44.1	34.0	40.4	41.2	37.8	33.7	26.8	32.3
Maine	27.1	30.8	35.2	35.1	33.4	30.0	36.9	35.1
Maryland	80.9	86.9	78.5	82.3	83.6	72.0	78.8	91.0
Massachusetts	80.5	84.6	100.5	97.2	100.4	96.0	96.6	85.9
Michigan	167.2	186.6	169.6	151.2	151.2	173.8	183.3	156.8
Minnesota	73.9	96.8	89.4	75.2	75.9	78.2	78.9	76.7
Mississippi	35.5	34.2	34.2	34.7	30.8	28.1	30.0	28.5
Missouri	85.8	88.4	88.4	81.3	83.3	94.5	77.2	81.3
Montana	11.1	11.9	11.6	10.5	12.6	9.7	12.2	12.4
Nebraska	24.5	25.5	23.3	20.3	20.3	26.2	21.3	21.3
Nevada	10.0	11.0	12.2	13.9	11.7	11.5	10.7	13.4
New Hampshire	19.3	20.3	19.2	20.4	22.5	16.8	12.8	16.1
New Jersey	148.8	159.6	157.3	160.5	130.0	148.8	160.5	129.1
New Mexico	19.8	19.5	20.0	19.9	17.1	16.5	21.0	18.5
New York	190.7	216.8	223.9	214.4	195.4	206.8	223.9	212.5
North Carolina	123.3	139.2	140.6	140.4	130.9	135.7	130.9	147.1
North Dakota	8.9	9.5	11.2	10.0	11.1	13.0	10.2	10.7
Ohio	162.5	179.9	180.9	166.4	174.1	185.7	187.7	174.1
Oklahoma	46.8	49.4	44.6	46.1	46.8	44.5	45.3	52.8
Oregon	39.3	45.0	48.5	47.4	50.0	48.0	54.5	54.5
Pennsylvania	210.8	258.3	259.5	286.8	275.7	259.9	261.5	296.4
Rhode Island	13.2	13.5	13.4	14.2	12.6	12.5	16.1	13.4
South Carolina	52.6	58.0	60.9	64.0	58.4	43.8	71.1	72.1
South Dakota	11.3	13.2	13.0	12.6	12.8	14.9	15.9	14.6
Tennessee	99.2	112.0	111.2	112.3	103.6	99.6	102.0	96.4
Texas	203.8	198.9	224.3	234.9	237.8	212.3	223.6	246.3
Utah	15.5	14.6	14.6	13.7	14.0	14.0	14.0	14.6
Vermont	9.9	12.4	12.9	12.6	13.5	17.2	12.4	13.1
Virginia	107.2	130.4	113.0	110.3	107.4	111.4	112.5	111.4
Washington	43.8	50.6	43.6	53.2	39.3	45.4	48.9	54.1
West Virginia	37.7	39.7	36.6	37.8	31.0	55.9	48.9	38.4
Wisconsin	65.5	76.9	73.3	79.5	71.4	65.2	76.1	84.6
Wyoming	6.5	6.1	6.0	4.8	6.1	5.1	6.5	5.9

* Provided by the California Association of REALTORS®.
r Revised

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

(Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
	1985	1986	1987	1987		1988		
				III	IV	I	II	III
Akron	$ 52.7	$ 56.2	$ 57.1	$ 57.8	$ 58.1	$ 57.1	$ 60.1	62.6
Albany/Schenectady/Troy	60.3	72.7	86.4	88.6	90.3	87.0	91.1	92.3
Albuquerque	76.8	81.6	82.6	84.4	79.8	79.7	81.6	83.4
Orange County(Anaheim/Santa Ana MSA)**	135.8	147.7	167.3	171.2	174.9	183.8	204.0	226.2
Baltimore	72.6	74.0	81.1	81.9	84.3	83.6	87.3	92.3
Baton Rouge	74.6	70.9	67.8	69.2	65.5	65.7	64.5	64.1
Birmingham	64.5	68.3	71.6	71.6	73.9	73.1	76.5	77.3
Boston	134.2	159.2	177.2	182.2	177.5	176.9	182.9	183.8
Buffalo/Niagara Falls	46.7	52.4	56.7	56.6	59.2	64.1	64.8	66.6
Charleston	64.8	n/a	72.7	74.6	73.2	72.6	73.5	74.4
Chattanooga	52.3	55.3	59.0	58.8	60.3	61.2	63.2	64.2
Chicago	81.1	86.1	90.8	91.2	91.5	92.8	99.3	100.8
Cincinnati	60.2	n/a	66.1	66.9	69.1	66.7	69.6	71.8
Cleveland	64.4	66.9	68.1	68.5	67.6	66.5	69.9	69.8
Columbus	62.2	65.5	68.7	72.7	69.3	66.2	73.4	74.5
Dallas/Ft. Worth	87.7	92.8	89.2	89.3	85.8	85.9	85.5	84.7
Denver	84.3	86.4	88.9	91.0	86.5	83.7	83.4	81.1
Des Moines	52.5	55.9	55.6	56.2	52.1	54.5	58.2	55.0
Detroit	51.7	58.1	65.6	65.9	66.3	71.5	72.3	76.4
El Paso	57.6	59.0	59.2	62.6	58.6	57.8	60.5	62.0
Ft.Lauderdale/Hollywood/Pompano Beach	74.6	77.7	79.6	80.8	80.6	78.6	79.2	84.7
Grand Rapids	46.7	50.4	53.5	54.0	55.7	55.4	58.3	59.0
Hartford	99.6	129.0	157.4	165.4	163.9	166.4	169.0	168.8
Honolulu	162.1	172.0	186.0	190.6	193.3	198.4	198.7	226.0
Houston	78.6	69.9	65.9	67.3	62.8	60.2	63.5	65.5
Indianapolis	55.0	59.0	62.5	62.8	60.7	61.8	66.7	67.5
Jacksonville	58.4	62.8	65.1	66.3	65.2	68.9	67.4	67.2
Kansas City	61.4	65.4	69.8	69.2	68.5	70.9	71.9	69.9
Knoxville	58.2	60.3	65.4	66.1	65.6	66.3	65.5	69.1
Lansing	50.3	52.4	54.5	56.3	53.6	53.4	57.8	57.0
Las Vegas	75.1	77.5	77.0	76.7	76.7	75.7	77.9	80.7
Los Angeles Area**	118.7	128.8	147.7	154.3	153.4	159.9	175.9	190.9
Louisville	50.6	51.7	51.7	53.3	51.5	52.2	54.1	56.0
Memphis	64.6	70.6	75.0	75.2	76.3	77.5	76.8	76.6
Miami/Hialeah	80.5	81.1	81.1	83.5	80.4	78.0	83.5	82.6
Milwaukee	67.5	69.9	70.5	70.9	70.8	72.6	75.3	75.6
Minneapolis/St Paul	75.2	77.9	80.5	80.9	80.6	84.4	84.3	86.0
Nashville/Davidson	66.1	70.8	75.5	75.7	77.2	77.6	78.3	78.1
New Orleans	n/a	n/a	n/a	n/a	74.1	73.0	73.2	74.8
New York/Northern New Jersey/Long Island	134.0	160.6	183.5	190.3	185.1	187.0	194.0	192.1
Oklahoma City	64.7	63.0	62.3	61.4	59.5	56.5	56.9	57.9
Omaha	58.3	58.8	59.0	59.7	57.5	58.3	58.7	60.3
Orlando	70.3	72.5	76.2	72.9	78.7	78.7	77.7	81.3
Philadelphia	74.0	82.4	97.0	104.9	92.6	97.7	101.9	106.5
Phoenix	74.7	78.4	80.9	82.7	80.4	79.0	79.1	82.3
Pittsburgh	n/a	n/.a	n/.a	n/a	n/a	60.9	62.2	66.3
Portland	61.5	62.6	64.2	64.0	66.3	62.9	64.9	64.8
Providence	67.5	87.6	121.4	126.6	127.6	123.3	130.4	131.9
Riverside/San Bernadino**	87.3	94.5	96.1	99.9	97.1	95.5	104.9	109.6
Rochester	64.2	68.3	72.5	74.1	72.8	73.2	73.7	78.3
St. Louis	65.7	70.9	74.3	75.7	73.3	74.1	79.5	81.1
Salt Lake City/Ogden	66.7	68.5	69.4	71.1	67.9	65.3	66.9	70.0
San Antonio	67.7	69.2	70.2	72.1	67.6	63.4	65.2	68.2
San Diego**	107.1	118.2	129.2	132.0	132.6	134.4	142.6	152.1
San Francisco Bay Area**	140.6	161.2	171.3	175.9	176.0	178.8	196.0	213.7
Seattle/Tacoma	n/a	n/a	82.6	82.6	84.2	88.2	93.6	89.8
Syracuse	58.8	64.3	68.9	71.3	70.0	68.1	74.9	75.4
Tampa/St.Petersburg/Clearwater	58.4	61.1	63.8	65.0	63.4	60.2	65.5	67.9
Toledo	51.9	56.0	56.3	56.9	54.7	56.5	59.7	59.9
Tulsa	66.7	65.5	65.7	66.7	63.1	63.5	65.0	65.5
Washington, DC	97.1	101.6	114.2	117.7	121.5	132.4	131.2	135.8
West Palm Beach/Boca Raton/Delray Beach	88.3	92.6	102.6	99.1	102.4	91.5	94.8	107.4

n/a Not Available

All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas. **Provided by the California Association of REALTORS®.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Thousands of Units)

Year		Total	In structures with – –			Regions			
			1 unit	2 to 4 units	5 units or more	Northeast	Midwest	South	West
1982		1,062	663	80	320	117	149	591	205
1983		1,703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
			Seasonally Adjusted Annual Rates						
1987	Nov	1,661	1,129	51	481	269	313	648	431
	Dec	1,399	1,035	51	313	222	281	576	320
1988	Jan	1,382	1,016	53	313	306	226	463	387
	Feb	1,519	1,102	59	358	307	259	593	360
	Mar	1,529	1,172	57	300	290	262	572	405
	Apr	1,584	1,093	58	433	265	345	595	379
	May	1,393	1,004	52	337	200	269	562	362
	Jun	1,465	1,092	62	311	241	263	584	377
	Jul	1,477	1,068	51	358	257	285	562	373
	Aug	1,461	1,078	61	322	218	241	563	432
	Sep[r]	1,467	1,045	61	361	208	259	573	427
	Oct[r]	1,542	1,142	62	338	202	266	584	490
	Nov[p]	1,563	1,151	64	348	228	244	612	479

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW ONE-FAMILY HOUSES SOLD
(Thousands of houses sold during period)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		412	47	48	219	99					
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987		671	117	98	272	186					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Nov	625	154	89	206	176	43	12	6	14	12
	Dec	586	78	99	240	168	37	5	6	16	11
1988	Jan	579	101	94	206	178	43	7	5	16	15
	Feb	664	112	108	264	164	68	11	9	30	19
	Mar	664	114	91	280	179	68	11	9	30	19
	Apr	681	110	94	287	190	68	10	10	28	19
	May	681	101	94	291	195	64	10	10	27	18
	Jun	718	113	93	287	224	65	11	8	25	20
	Jul	703	104	93	283	222	57	9	8	23	17
	Aug[r]	714	100	99	300	215	59	8	9	25	17
	Sep[r]	698	88	103	259	247	55	8	8	20	18
	Oct[r]	729	99	115	265	250	58	9	9	20	20
	Nov[p]	671	72	121	245	233	44	5	8	16	15

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS MONTHS OF NOVEMBER (Percentage Distribution)

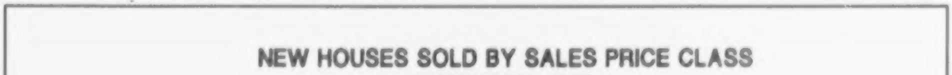
Price Class	Nov 1984	Nov 1985	Nov 1986	Nov 1987^r	Nov 1988^p
Under $60,000	19	16	10	7	9
$60,000 to $79,999	31	25	23	12	20
$80,000 to $99,999	22	20	23	21	14
$100,000 to $119,999	9	11	12	14	14
$120,000 to $149,999	8	12	10	15	14
$150,000 and over	11	14	21	31	29
Median Sales Price	$82,500	$87,200	$94,000	$117,000	$110,200

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS THIRD QUARTER 1988p (Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	8	*	16	11	*
$60,000 to $79,999	15	8	20	22	9
$80,000 to $119,999	28	13	32	32	30
$120,000 and over	49	79	32	35	61
Median Sales Price	$116,900	$156,000	$92,000	$94,900	$132,900

* Insufficient Sample Size
p Preliminary
Source: Census Bureau, U.S. Department of Commerce.


NEW HOUSES SOLD BY SALES PRICE CLASS
NOVEMBER 1988 p
(Percentage Distribution)

Source: U.S. Department of Commerce, Bureau of the Census
p Preliminary

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Economics & Research Division
777 14th Street, N.W.
Washington, D.C. 20005

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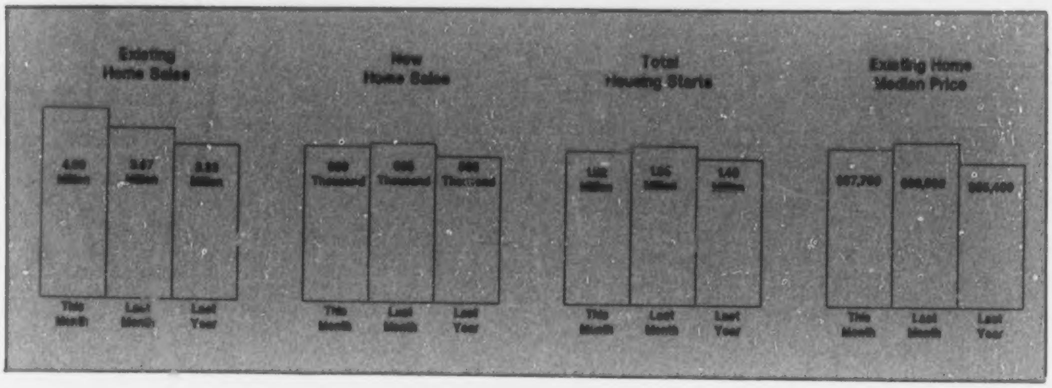
January 1989

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Existing single-family home sales spurted 11.4 percent to a seasonally adjusted annual rate of 4,090,000 units. The unexpected high level of sales in the fourth quarter of 1988 pushed total sales volume for the entire year to 3,630,000 units, 2.9 percent above last year. New home sales activity rose marginally to an annualized rate of 669,000 units, 14.2 percent from a year ago. Total 1988 new home sales moved slightly ahead of last year's level to 677,000 units.
- The total inventory of unsold existing and new homes fell a substantial 16.1 percent to 2,446,000 units. The decrease stemmed from an 18.4 percent drop in the available supply of existing homes which slipped to 2,080,000 units. The more stable new home inventory increased marginally to 366,000.
- Total new privately owned housing starts posted a modest decrease of 2.2 percent to a seasonally adjusted annual rate of 1,524,000, 8.9 percent above a year ago.
- Existing and new single-family home prices moved in opposite directions in December with existing home prices slipping 2.7 percent to $87,700. By contrast, new home prices jumped 9.7 percent to $121,000.
- Housing affordability worsened in December when mortgage interest rates increased for the third straight month. The Housing Affordability Index slipped 5 points to 112.3.

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SURVEY DESCRIPTION

Publication 1 "Home Sales" is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage 2 Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 400 Boards of REALTORS® and multiple listing systems. In 1985 data on over 1,590,000 existing single-family homes were received and processed.

3 Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions 4 Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows.

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH
Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST
Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST
Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5 Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	14	South	35
Midwest	28	West	23

Sales Volume 6 Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7 Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8 Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant "blow-up" factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9 In the main, a transaction is reported when the sales contract is signed, but a number of Boards report "closings." To the extent "closings" are contained in this series, they introduce a "distributive lag" effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price 10 Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11 Movements in sales prices should not be interpreted as measuring changes in the cost of a *standard home*. Prices are influenced by changes in cost *and* changes in the characteristics and size of homes actually sold.

12 There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are *not seasonally adjusted*.

Seasonal Adjustment 13 Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading-day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14 Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15 Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium/cooperative sales and state home sales are based on a quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

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BOOM!

Despite the strength of existing single-family homes sales in December as reported in this issue, I am not going to call the closing months of 1988 a boom real estate market, but it is clearly related to a boom. The culprit is the demographic phenomenon known popularly as the Baby Boom, those Americans born in the 20 years immediately after World War II, 1946-1965.

Even the Census Bureau has been grabbing headlines in recent weeks by talking about this group, but their conclusions have been far less positive. The Bureau concludes that the aging of the baby boom, coupled with smaller families and slowed immigration will lead to a declining population in the United States within 50 years. The inference is then drawn to the implications a declining population base will have on the economic makeup of the country, with one of the first industries affected being the housing industry. Other prognosticators have unpleasant forecasts for the housing industry over the next few years, even as the population continues to grow, but we'll come back to these topics later.

For the moment, let's examine that population bulge that is moving relentlessly closer to middle age. First, the sheer numbers. There are roughly 81.4 million Americans who are currently in their mid-20s to mid-40s, an age group that has traditionally produced the first-time homebuyer as well as the beginnings of the move-up market.

This age cohort has already impressed demographers with its economic clout and its independence. For example, it was largely these baby boomers who forced Coca-Cola to reinstate the original formula Coke as Coke Classic. This group has also been independent in lifestyle choices. Women have asserted a significant presence in the labor force, often in professions which in previous generations had been dominated by men. Marriages and children have been delayed. This has resulted in a spurt in the number of households, particularly single-person households. The delay of marriage has allowed a significant group of young Americans to purchase their first home while they are still single, creating an active market for ownership apartments -- the condominium market -- and created economic opportunities for developers and the now blossoming resale condo market. Thus while the homeownership rate has declined during the 1980s, especially for those between the ages of 25 and 44, the proportion of single Americans who own their own home has actually increased.

The baby boomers are now entering their prime earning years, plus the biological clock is ticking relentlessly, producing an "echo baby boom." Since many of these young adults are opting for families which are smaller than in their parent's generation, that echo will not dominate the economic landscape in the same way that their parents' generation has. The important point here is that they are opting for families, and thus are developing an economic and psychological profile which is more conducive to homeownership.

The desire for homeownership is only part of the story, however. The baby boom generation faced more competition for employment opportunities than any other age cohort. Older baby boomers have done reasonably well, moving into mid and senior level positions and are well established in the manufacturing work force. As the younger baby boomers moved into the labor force they found firms reducing their mid-tier management and an economy which was in transition to a less manufacturing focus. Accordingly, these institutional changes have made the good jobs and incomes harder to obtain.

What does the future hold? Will the boom turn to bust? Practically speaking, higher mortgage rates in 1989 will tend to slow the housing market in most parts of the country, but the demographic demand for housing generated by the baby boom will continue to exert offsetting pressure. The problems will emerge in a few years as the growth of the U.S. population levels out and the baby boom generation prepares to move back to rental housing for their golden years. But with luck, the boom should not explode in the housing industry's face.

Glenn E. Crellin
Divisional Vice President

DECEMBER HOUSING MARKET

The year 1988 ended with a burst of homebuying activity that pushed the existing home sales rate to the highest level of the year. During December, home resale volume jumped 11.4 percent to a seasonally adjusted annual rate of 4,090,000 units, 22.8 percent above the same month a year ago, and the highest monthly rate since May 1979. By contrast, new home sales were only up a marginal 0.6 percent from last month to a seasonally adjusted annual rate of 669,000 units, but a solid 14.2 percent ahead of December 1987.

This surprisingly large jump in home resales reflects the determination of many renters to enjoy the benefits of homeownerhip, and rising interest rates simply increased the incentive to move quickly. These households have used the prolonged strength of the economic recovery to reinforce their finances so they are able to buy.

Regional comparisons of existing home resale volume revealed month-to-month increases in all four regions. The South and West posted strong gains of 15.8 percent to 1,610,000 units and 10.4 percent to 1,060,000 units, respectively. The Northeast and West registered gains of about 4.5 percent to 710,000 units and 690,000 transactions, respectively.

Home Sales Volume in 1988

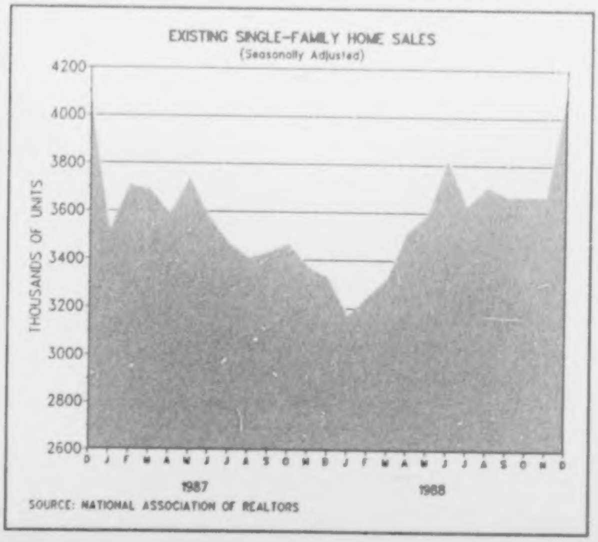
After getting off to a slow start, existing home sales volume picked up at mid-year, levelled off in the fall, and closed out the year at the highest rate seen since 1979. Total volume for the year reached 3,630,000 units, the heaviest annual volume since 1979 when it hit 3,827,000 units. This overall strength unfolded amid forecasts of an economic slowdown and rising mortgage interest rates--which only seemed to encourage buyers to accelerate their homebuying plans. Two regions registered increases while two reported decreases. Sales in the West climbed 7.5 percent to 645,000 units while in the South the number of transactions rose 5.4 percent to 1,351,000. Sales in the Northeast were off marginally to 681,000 units while activity in the Midwest decreased 2.5 percent to 935,000 sales.

New home sales were basically unchanged from 1987. Total new home sales in 1988 reached 677,000 units, less than one percent below the 1987 level. The second straight decline in Northeast sales acted as a brake by dropping 13.7 percent to 101,000 units. New home buying in the West helped to keep overall sales even with last year by increasing 9.7 percent to 204,000 transactions. Sales in the Midwest and South were about 1.0 percent higher at 98,000 and 274,000 units, respectively.

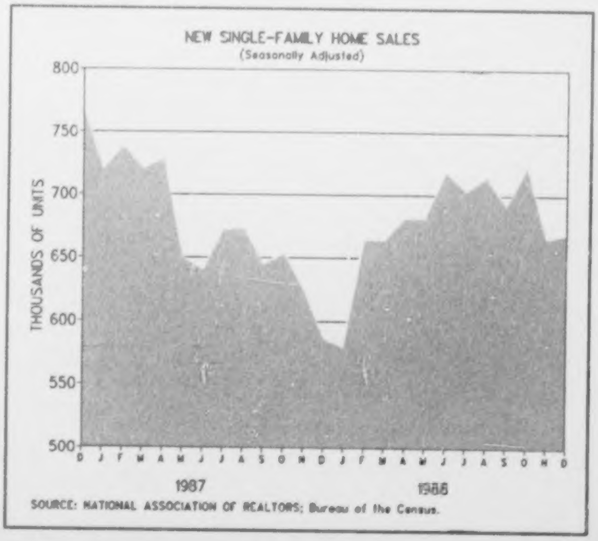
Inventory Available For Sale

The total number of homes available for sale dropped sharply in December. The combined inventory of unsold existing and new homes fell 16.1 percent to 2,446,000 structures with the decrease wholly attributable to existing homes. In fact, the supply of new homes on the market increased marginally to 366,000 while the existing home inventory decreased 18.4 percent to 2,080,000 homes.

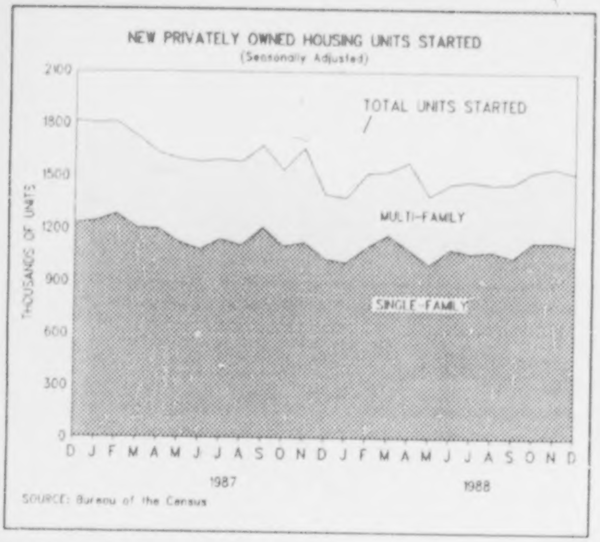
It is not unusual for the supply of existing homes on the market to drop abruptly at the end of the year, for it is a time when existing home sellers shift their focus to affairs of the traditional holiday season and postpone listing their homes for sale at this time. The supply of new homes does not change much at this time of the year because builders are able to balance the supply on a long-term basis. The sharp increase in existing home sales resulted in a drop of 2.2 months' supply to 6.1 months. By contrast, the supply of new homes slipped marginally to 6.7 months.


EXISTING SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS


NEW SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS; Bureau of the Census.



NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Seasonally Adjusted)

SOURCE: Bureau of the Census

Housing Construction

Construction of new privately owned housing was basically unchanged in December. The total number of starts decreased 2.2 percent to an adjusted annual rate of 1,524,000 units, 8.9 percent above the level of last December. This decrease was fairly evenly spread over the different types of structures ranging from 1 unit buildings to those with 5 units or more.

When viewed regionally, the Northeast continued to look weak as construction moved irregularly lower to an annualized rate of 179,000 units, 20.1 percent below the November level. The West followed suit by falling 7.2 percent to a 427,000 unit pace. By contrast, new construction in the Midwest jumped 25.1 percent to a 329,000 unit rate, the second highest rate for the 12-month period.

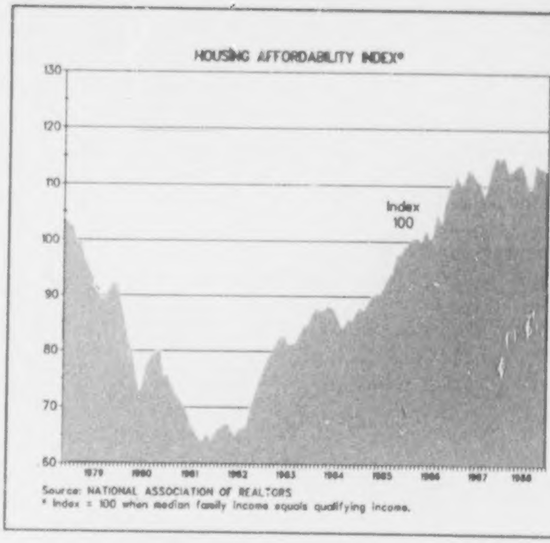
Home Sales Prices

Existing and new home sales prices moved in opposite directions in December. The median price of an existing single-family home slipped $300 to $87,700, 2.7 percent above December last year. Concurrently, the median price of a new home jumped 9.7% to $121,000, setting a new all-time high.

After posting declines for two consecutive months, the median price of a new home in November bounced back to $121,000 in December.

Home Sales Prices in 1988

The median prices of both existing and new single-family homes reached new highs during 1988. While existing single-family home prices rose 4.1 percent to $89,100, the rate of appreciation fell below that of the prior three years when it ranged from 4.3 percent to 6.6 percent annually. Similarly, new home prices increased 7.7 percent to $112,500, after three years of increases between 5.5 percent and 13.6 percent.



HOUSING AFFORDABILITY INDEX*

Source: NATIONAL ASSOCIATION OF REALTORS
* Index = 100 when median family income equals qualifying income.

Regional comparisons point to some noteworthy contrasts. In 1988 the Northeast posted a 7.4 percent gain in prices to $143,100 while in 1987 the price had jumped an astounding 27.8 percent. The appreciation rate was also lower in the West where prices increased 9.3 percent to $123,700 after climbing 12.2 percent a year earlier. Price behavior in the Midwest and South has been more stable with the Midwest reporting a 3.5 percent increase to $68,300 and the South registering a 2.4 percent gain to $82,300.

Resale Housing Affordability

The third successive increase in mortgage interest rates overshadowed a small decrease in existing home prices to nudge the affordability index to 112.3 from 112.8

The current affordability index of 112.3 means that a family earning the national median income of $32,100 would have 112.3 percent of the income required to qualify for a conventional loan covering 80 percent of the December national existing home median price of $87,700.

Homebuying conditions improved a bit for first-time homebuyers. Softening starter home prices offset a 19 basis point jump in the mortgage interest rate to raise the first-time homebuyer affordability index 1.5 points to 78.9 in the fourth quarter of 1988. This reduced the affordablity gap by 1.0 percent to 30.0, still leaving the first-time homebuyer at a tremendous disadvantage.

With the first-time homebuyer affordability index at 78.9, the typical rental family in their prime homebuying years had 78.9 percent of the income required to qualify for a mortgage on a typically priced starter home, assuming a down payment of 10 percent.

Condominium/Cooperative Resales

The tempo of the apartment condominium/cooperative market slowed for the third straight quarter after reaching a historic high in the first quarter of the year. Condo/co-op resales fell 6.6 percent to a seasonally adjusted annual rate of 327,000 units, 3.8 percent below the fourth quarter of a year ago.

In 1988, overall condo/co-op sales drifted about one percent lower to 358,000 units, still the second highest level, historically. Regional performances were mixed with the Northeast posting its first annual decrease since 1982 when condo/co-op sales fell 11.1 percent to 168,000 units. Sales in the Midwest were unchanged at 64,000 units. By contrast, activity in the South and West was strong with activity in the South at a new high of 86,000 units, up 10.3 percent from last year, while the West posted an exceptionally strong gain of 27.1 percent to 39,000 transactions.

Total Home Sales

Total sales in 1988 reached 3,988,000 units, the highest level since 1979 when it stood at 4,049,000 transactions.

Comparisons with 1987 show that the strength in total 1988 sales was not shared by all four regions. The cooling of the market in the Northeast resulted in a decrease of 2.9 percent to 849,000 units. Moreover, the Midwest posted its second straight annual decrease which dropped the sales 2.3 percent to 999,000 transactions. By contrast, the South and West posted solid increases of 5.7 percent to 1,437,000 units and 8.6 percent to 684,000 units, respectively.

State Resale Market

State-by-state volume comparisons reflect the slowdown of the resale housing market in the Northeast. In 1988, six of the nine Northeast states reported decreases with three registering declines of 10 percent or more. Those states posting decreases of 10 percent or more were Hawaii (11.7%), Louisiana (11.9%), Massachusetts (13.6%), Minnesota (11.1%), New Hampshire (23.9%), and New Jersey (12.9%). The states with the greatest annual increases were Alaska (20.6%), California (15.5%), Connecticut (12.4%), Iowa (11.2%), Maryland (13.2%), Oklahoma (14.4%), South Dakota (14.5%), Washington (10.8%), and West Virginia (32.5%).

Metropolitan Home Sales Prices

While home prices have moved up and down within each of the four regions, comparisons of year-to-year metropolitan area price changes point to noteworthy shifts within the South and Midwest regions. Prices weakened in the South where 8 of the 21 Southern metro areas in our survey reported energy related price declines. By contrast none of the 16 Midwest mets in the study reported decreases while half reported increases of 5.0 percent or more.

Halvor Juul
Director of Surveys

STATE HOME RESALES
(1988 compared to 1987)

Down 10.0% or more
- Hawaii
- Louisiana
- Massachusetts
- Minnesota
- New Hampshire
- New Jersey

Down 0.1-9.9%
- Alabama
- Arizona
- Delaware
- Georgia
- Indiana
- Kansas
- Maine
- Mississippi
- Missouri
- New Mexico
- New York
- North Dakota
- Ohio
- Tennessee
- Utah
- Vermont
- Wyoming

Up 0.1-9.9%
- Arkansas
- Colorado
- District of Columbia
- Florida
- Idaho
- Illinois
- Kentucky
- Montana
- Nevada
- North Carolina
- Oregon
- Pennsylvania
- Rhode Island
- South Carolina
- Texas
- Virginia
- Wisconsin

Up 10.0 or More
- Alaska
- California
- Iowa
- Maryland
- Oklahoma
- South Dakota
- Washington
- West Virginia

METROPOLITAN HOME SALES PRICE
(1988 compared to 1987)

Down
- Albuquerque
- Baton Rouge
- Dallas\Ft. Worth
- Denver
- Houston
- Oklahoma City
- Phoenix
- Pittsburgh
- Salt Lake City\Ogden
- San Antonio
- Tulsa

Up 0.1-4.9%
- Akron
- Boston
- Charleston
- Cleveland
- Des Moines
- El Paso
- Ft Lauderdale\Hollywood\Pompano
- Jacksonville
- Kansas City
- Knoxville
- Lansing
- Las Vegas
- Memphis
- Nashville
- New York/New Jersey/Long Island
- Orlando
- Rochester
- Tampa/St. Petersburg/Clearwater
- Toledo

Up 5.0-9.9%
- Albany/Schenectady/Troy
- Chattanooga
- Cincinatti
- Columbus
- Hartford
- Louisville
- Milwaukee
- Minneapolis/St. Paul
- Philadelphia
- Providence

Up 10% or More
- Buffalo/Niagara Falls
- Honolulu
- Los Angeles Area
- Orange County(Anaheim Santa Ana MSA)
- Riverside/San Bernadino
- Seattle/Tacoma
- San Diego
- San Francisco Bay Area
- Washington, DC

UNITED STATES SUMMARY

Year		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
		Existing	New	Existing	New	Existing	New	Existing	New
1983		2,719,000	623,000	1,980,000	304,000	*	*	$ 70,300	$ 75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,000
1988^{p}		3,630,000	677,000	2,080,000	366,000	*	*	89,100	112,500
1987	Dec	3,330,000	586,000	2,160,000	365,000	7.8	7.6	$ 85,400	$111,800
1988	Jan	3,170,000	579,000	2,280,000	368,000	8.6	7.7	$ 87,400	$119,000
	Feb	3,250,000	648,000	2,640,000	359,000	9.8	6.8	88,100	110,900
	Mar	3,330,000	664,000	2,820,000	372,000	10.2	6.8	87,900	108,900
	Apr	3,520,000	681,000	2,770,000	367,000	9.4	6.6	87,300	111,000
	May	3,590,000	681,000	2,740,000	370,000	9.2	6.7	88,800	110,000
	Jun	3,820,000	718,000	2,700,000	367,000	8.5	6.2	90,200	111,500
	Jul^{r}	3,630,000	703,000	2,500,000	365,000	8.3	6.4	90,700	118,000
	Aug	3,710,000	714,000	2,520,000	363,000	8.2	6.3	91,400	110,000
	Sep^{r}	3,670,000	691,000	2,420,000	361,000	7.9	6.5	88,200	116,600
	Oct^{r}	3,670,000	722,000	2,250,000	354,000	7.4	6.0	88,100	113,000
	Nov^{r}	3,670,000	665,000	2,550,000	364,000	8.3	6.8	88,000	110,300
	Dec^{P}	4,090,000	669,000	2,080,000	366,000	6.1	6.7	87,700	121,000

r Revised p Preliminary * not applicable
Source: New home sales data from Census Bureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
1988^{p}		3,630,000	681,000	935,000	1,351,000	645,000					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Dec	3,330,000	640,000	880,000	1,240,000	570,000	220,000	39,000	56,000	86,000	40,000
1988	Jan	3,170,000	610,000	920,000	1,090,000	530,000	191,000	37,000	48,000	73,000	31,000
	Feb	3,250,000	660,000	890,000	1,190,000	520,000	220,000	40,000	66,000	81,000	34,000
	Mar	3,330,000	650,000	880,000	1,230,000	570,000	303,000	53,000	86,000	111,000	52,000
	Apr	3,520,000	670,000	930,000	1,310,000	610,000	322,000	59,000	90,000	120,000	51,000
	May	3,590,000	720,000	920,000	1,310,000	640,000	344,000	65,000	93,000	123,000	60,000
	Jun	3,820,000	740,000	990,000	1,420,000	680,000	379,000	74,000	102,000	133,000	71,000
	Jul	3,630,000	690,000	910,000	1,360,000	650,000	331,000	66,000	85,000	122,000	56,000
	Aug	3,710,000	690,000	930,000	1,420,000	670,000	369,000	75,000	94,000	134,000	66,000
	Sep	3,670,000	650,000	910,000	1,390,000	720,000	318,000	63,000	73,000	114,000	66,000
	Oct	3,670,000	650,000	920,000	1,400,000	710,000	309,000	59,000	72,000	114,000	61,000
	Nov^{r}	3,670,000	680,000	960,000	1,390,000	660,000	280,000	46,000	63,000	118,000	50,000
	Dec^{P}	4,090,000	710,000	1,060,000	1,610,000	690,000	264,000	44,000	63,000	108,000	47,000

Components may not agree with totals due to rounding.
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DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES (Billions of Dollars)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
1983		$ 225.9	$ 42.1	$ 44.6	$ 84.4	$ 53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
1988^{p}		408.4	105.9	73.7	136.2	93.1					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Dec	$358.3	$ 95.0	$67.0	$118.3	$ 78.0	$23.5	$5.8	$4.3	$ 8.1	$ 5.5
1988	Jan	$344.8	$ 89.7	$72.5	$108.0	$ 72.7	$20.8	$ 5.4	$3.7	$ 7.2	$ 4.2
	Feb	361.1	97.9	68.6	122.4	72.2	24.0	5.9	5.1	8.3	4.7
	Mar	368.1	97.9	67.5	125.3	79.3	33.5	8.0	6.6	11.4	7.2
	Apr	382.2	101.4	71.9	123.3	83.2	35.0	8.9	6.9	11.8	6.9
	May	398.8	112.0	72.7	129.6	91.3	38.2	10.2	7.3	12.1	8.6
	Jun	441.0	117.0	81.0	146.8	100.5	43.7	11.8	8.3	13.7	10.4
	Jul	416.8	109.4	73.0	142.2	95.2	38.0	10.4	6.8	12.7	8.2
	Aug	426.7	110.6	75.5	145.2	99.3	42.5	11.9	7.6	13.7	9.8
	Sep	412.0	100.5	69.8	138.6	106.5	35.8	9.7	5.6	11.3	9.7
	Oct	406.9	101.5	66.4	136.4	101.2	34.3	9.2	5.2	11.0	8.7
	Nov^{r}	410.2	104.3	74.3	134.5	98.6	31.3	7.1	4.8	11.4	7.4
	Dec^{p}	451.9	108.5	83.5	157.9	97.1	29.9	6.8	4.9	10.6	6.6

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES (Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
				Median					Average (Mean)		
1982		$67,800	$ 63,500	$55,100	$67,100	$ 98,900	$ 80,500	$ 75,400	$60,700	$ 78,700	$114,200
1983		70,300	72,200	56,600	69,200	94,900	83,100	85,400	62,900	81,500	111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1988^{p}		89,100	143,100	68,300	82,300	123,700	112,500	155,500	78,800	100,800	144,300
1987	Dec	$85,400	$134,300	$65,000	$78,700	$117,800	$107,100	$147,600	$75,900	$ 95,500	$137,000
1988	Jan	$87,400	$131,500	$67,800	$80,700	$117,900	$108,700	$145,800	$78,800	$ 98,700	$137,100
	Feb	88,100	135,600	67,300	84,800	118,600	110,400	147,700	77,200	103,000	138,500
	Mar	87,900	137,800	67,200	83,300	119,200	110,700	150,200	76,900	101,900	140,200
	Apr	87,300	138,200	67,600	81,100	116,200	108,700	150,600	77,300	97,900	136,500
	May	88,800	142,200	69,100	82,600	123,100	111,900	156,500	79,000	98,700	143,500
	Jun	90,200	147,300	70,000	83,800	127,000	115,400	158,800	81,100	103,500	147,700
	Jul	90,700	144,700	69,500	84,700	125,300	114,800	157,500	80,500	104,200	145,700
	Aug	91,400	146,600	69,900	83,400	126,900	115,100	159,300	81,100	102,400	147,900
	Sep	88,200	141,500	67,000	81,400	128,300	112,300	154,100	76,800	99,600	148,800
	Oct^{r}	88,100	144,400	67,400	80,500	122,900	110,900	155,700	78,200	97,100	143,200
	Nov^{r}	88,000	140,700	66,700	80,300	128,900	111,800	152,500	77,800	96,700	148,800
	Dec^{p}	87,700	143,300	67,700	78,500	117,800	110,500	152,800	79,000	98,200	140,900

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SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS
(Percentage Distribution)

Price Class	Dec 1984	Dec 1985	Dec 1986	Dec 1987^{r}	Dec 1988^{p}
$ 19,999 or under	2.1	1.7	1.8	2.1	2.1
$ 20,000-$ 29,999	3.8	3.2	2.7	2.8	3.0
$ 30,000-$ 39,999	7.1	6.4	5.5	5.5	5.5
$ 40,000-$ 49,999	10.5	9.5	8.7	7.9	7.1
$ 50,000-$ 59,999	12.3	11.3	10.4	9.3	9.0
$ 60,000-$ 69,999	11.8	12.1	10.8	9.4	9.0
$ 70,000-$ 79,999	10.6	10.3	9.4	8.7	8.5
$ 80,000-$ 89,999	8.6	8.7	8.5	8.0	7.4
$ 90,000-$ 99,999	6.5	6.5	6.4	5.8	5.9
$100,000-$119,999	8.4	8.7	8.8	9.1	8.8
$120,000-$159,999	9.6	10.7	12.2	13.2	13.5
$160,000-$199,999	4.1	4.9	6.0	7.3	8.2
$200,000-$249,999	2.2	2.7	3.7	4.7	4.9
$250,000 and over	2.4	3.3	5.1	6.3	7.1
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$72,100	$75,500	$80,800	$85,400	$87,700

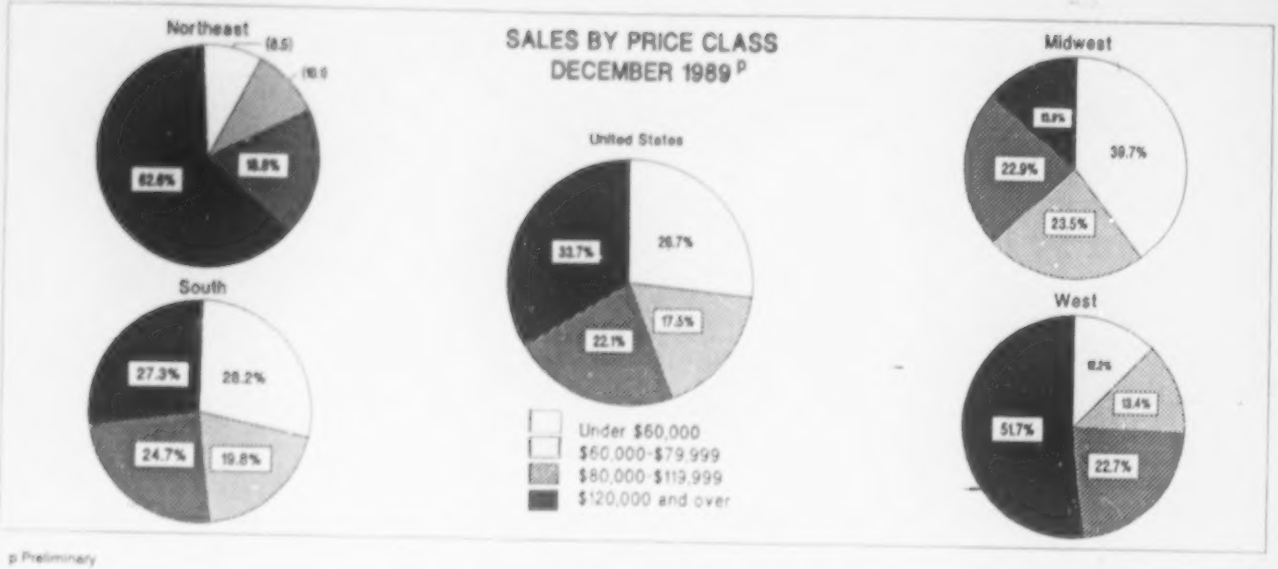
SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS
DECEMBER 1988^{p}
(Percentage Distribution)

Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	18.7	15.1	19.6	16.7	20.8
3 Bedrooms	53.5	52.8	54.7	56.0	50.4
4 Bedrooms or more	27.8	32.1	25.7	26.2	29.7
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS
DECEMBER 1988^{p}
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	2.1	1.2	3.3	1.6	0.8
$ 20,000 - $ 29,999	3.0	0.8	4.5	2.7	0.9
$ 30,000 - $ 39,999	5.5	1.2	8.1	5.7	1.8
$ 40,000 - $ 49,999	7.1	2.0	11.2	8.3	1.8
$ 50,000 - $ 59,999	9.0	3.3	12.5	9.9	3.6
$ 60,000 - $ 69,999	9.0	4.7	12.6	10.3	6.4
$ 70,000 - $ 79,999	8.5	5.4	10.9	9.5	7.0
$ 80,000 - $ 89,999	7.4	5.6	9.2	8.6	6.7
$ 90,000 - $ 99,999	5.9	4.9	6.4	6.6	5.9
$100,000 - $119,999	8.8	8.5	7.3	9.5	10.1
$120,000 - $159,999	13.5	21.2	7.9	12.8	17.2
$160,000 - $199,999	8.2	16.0	3.0	6.3	16.2
$200,000 - $249,999	4.9	10.5	1.5	3.5	9.0
$250,000 and over	7.1	14.9	1.5	4.7	14.3
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$87,700	~~$143,100~~	$67,800	$67,800	$117,800



SALES BY PRICE CLASS
DECEMBER 1989 p

p Preliminary

HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes Composite	Fixed	ARM
1983	$70,300	12.85%	$616	30.1%	$24,580	$29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1988^{p}	89,100	9.31	590	22.0	32,100	28,296	113.4	103.4	121.8
1987									
Dec	$85,400	9.20%	$560	21.8%	$30,853	$26,860	114.9	103.8	120.4
1988									
Jan	$87,400	9.24%	$575	22.3%	$30,388	$27,586	112.2	101.5	119.0
Feb	88,100	9.16	575	22.2	31,061	27,611	112.9	103.6	121.5
Mar	87,900	9.14	573	21.1	31,165	27,500	113.3	105.1	121.7
Apr	87,300	9.21	573	22.0	31,269	27,482	113.8	105.4	124.0
May	88,800	9.22	583	22.3	31,373	27,978	112.1	104.4	121.3
Jun	90,200	9.28	595	22.7	31,476	28,570	110.2	100.8	119.4
Jul	90,700	9.32	601	22.8	31,580	29,116	109.5	99.0	118.6
Aug	91,400	9.32	605	22.9	31,684	29,052	109.1	98.2	117.5
Sep	88,200	9.30	583	22.0	31,788	27,986	113.6	101.4	122.0
Oct^{r}	88,100	9.41	588	22.1	31,892	28,225	113.0	101.6	121.6
Nov^{r}	88,000	9.48	591	22.2	31,996	28,364	112.8	103.3	120.0
Dec^{p}	87,700	9.61	596	22.3	32,100	28,588	112.3	103.7	119.4

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Affordability Index	Composite Affordability Index	Affordability GAP (Percent)
1983	$59,800	$5,980	$53,820	12.85%	13.10%	$600	$17,109	$28,799	59.4	83.2	-28.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987^{r}	72,700	7,280	65,520	9.28	9.53	552	20,916	26,513	78.9	113.8	-30.7
1988^{p}	75,700	7,570	68,130	9.31	9.56	576	21,898	27,641	79.2	113.4	-30.2
1987											
IV	72,250	7,225	65,025	9.26	9.51	547	20,916	26,268	79.6	114.8	-30.6
1988											
I	$74,517	$7,452	$67,065	9.18%	9.43%	$560	$21,162	$26,904	78.7	113.1	-30.4
II	75,508	7,551	67,957	9.23	9.48	570	21,408	27,381	78.2	112.4	-30.4
III	76,585	7,659	68,926	9.31	9.56	583	21,653	27,964	77.4	112.1	-31.0
IV^{p}	74,743	7,474	67,269	9.50	9.75	578	21,898	27,741	78.9	112.7	-30.0

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES (Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1988^{p}		358,000	168,000	64,000	86,000	39,000
1987	IV	340,000	169,000	57,000	81,000	33,000
1988	I	397,000	209,000	64,000	85,000	39,000
	II	389,000	186,000	73,000	81,000	47,000
	III	350,000	166,000	67,000	87,000	33,000
	IV^{p}	327,000	139,000	58,000	92,000	39,000

TOTAL EXISTING HOME SALES SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1988^{p}		3,988,000	849,000	999,000	1,437,000	684,000
1987	IV	3,730,000	840,000	950,000	1,340,000	610,000
1988	I	3,650,000	850,000	960,000	1,250,000	580,000
	II	4,030,000	890,000	950,000	1,420,000	690,000
	III	4,020,000	840,000	980,000	1,480,000	710,000
	IV^{p}	4,140,000	820,000	1,040,000	1,560,000	720,000

MEDIAN SALES PRICE OF APARTMENT CONDOS AND CO-OPS, QUARTERLY (Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1988^{p}		83,100	111,300	60,800	64,400	107,600
1987	IV	$78,300	$108,800	$58,700	$59,100	$ 99,300
1988	I	$81,200	$109,400	$57,700	$65,400	$104,200
	II	83,800	110,300	61,000	66,300	106,300
	III	80,900	113,000	61,500	63,400	110,600
	IV^{p}	80,200	111,100	62,500	63,400	105,100

p Preliminary

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
	1986	1987	1988^p	1987	1988			
				IV	I	II	III	IV^p
Alabama	60.8	59.7	55.1	59.2	52.4	50.4	55.1	51.8
Alaska	6.1	7.7	9.7	9.1	8.5	8.0	12.2	10.3
Arizona	73.8	67.3	64.8	65.9	53.4	60.0	71.8	74.5
Arkansas	52.8	48.2	48.9	44.0	39.0	51.2	47.9	46.2
California*	484.6	507.0	562.8	515.1	491.5	439.5	586.6	599.9
Colorado	47.5	46.7	49.5	41.8	38.6	52.3	53.1	49.9
Connecticut	52.0	52.5	59.9	50.8	53.6	61.9	60.1	60.5
Delaware	12.9	14.0	13.8	12.5	12.5	13.9	13.3	12.3
District of Columbia	11.6	10.5	11.3	9.3	11.3	10.2	10.6	11.2
Florida	169.4	184.2	190.8	206.1	168.9	171.1	195.2	182.0
Georgia	75.1	89.0	88.7	81.1	88.7	86.8	77.3	87.8
Hawaii	10.0	11.5	10.3	10.9	11.1	10.7	9.9	9.6
Idaho	11.3	10.9	11.2	11.3	10.9	11.1	11.7	10.6
Illinois	179.2	175.3	183.3	178.2	168.6	178.2	193.7	205.4
Indiana	86.1	89.8	84.2	75.2	83.5	96.1	78.3	80.4
Iowa	46.1	48.3	54.4	44.0	58.0	52.9	59.3	57.4
Kansas	54.4	54.4	49.8	47.9	53.6	48.5	51.9	49.0
Kentucky	58.6	64.1	71.1	78.3	66.0	68.6	70.5	65.4
Louisiana	34.0	40.4	36.1	37.8	33.7	26.8	32.3	44.6
Maine	30.8	35.2	34.4	33.4	30.0	36.9	35.1	31.8
Maryland	83.9	78.5	90.4	83.6	72.0	78.8	91.0	102.5
Massachusetts	84.6	100.5	88.5	100.4	96.0	96.6	85.9	74.5
Michigan	186.6	169.6	167.5	151.2	173.8	183.3	156.8	162.5
Minnesota	96.8	89.4	80.5	75.9	78.2	78.9	76.7	99.0
Mississippi	34.2	34.2	32.1	30.8	28.1	30.0	28.5	34.7
Missouri	88.4	88.4	81.7	83.3	94.5	77.2	81.3	78.2
Montana	11.9	11.6	12.0	12.6	9.7	12.2	12.4	12.8
Nebraska	25.5	23.3	22.1	20.3	26.2	21.3	21.3	22.7
Nevada	11.0	12.2	12.3	11.7	11.5	10.7	13.4	13.9
New Hampshire	20.3	19.2	15.5	22.5	16.8	12.8	16.1	16.6
New Jersey	159.6	157.3	139.3	130.0	148.8	160.5	129.1	102.2
New Mexico	19.5	20.0	18.7	17.1	16.5	21.0	18.5	17.7
New York	216.8	223.9	213.5	195.4	206.8	223.9	212.5	199.2
North Carolina	139.2	140.6	148.1	130.9	135.7	130.9	147.1	138.5
North Dakota	9.5	11.2	11.0	11.1	13.0	10.2	10.7	10.3
Ohio	179.9	180.9	176.3	174.1	185.7	187.7	174.1	164.4
Oklahoma	49.4	44.6	52.1	46.8	44.5	45.3	52.8	53.6
Oregon	45.0	48.5	51.8	51.8	48.0	54.5	54.5	52.6
Pennsylvania	258.3	259.5	279.0	275.7	259.9	261.5	296.4	288.4
Rhode Island	13.5	13.4	14.3	12.6	12.5	16.1	13.4	14.1
South Carolina	58.0	60.9	66.4	58.4	43.8	71.1	72.1	60.7
South Dakota	13.2	13.0	15.2	12.8	14.9	15.9	14.6	16.2
Tennessee	112.0	111.2	107.5	103.6	99.6	102.0	96.4	111.5
Texas	198.9	224.3	247.7	237.8	212.3	223.6	246.3	260.4
Utah	14.6	14.6	14.3	14.0	14.0	14.0	14.6	14.6
Vermont	12.4	12.9	12.9	13.5	17.2	12.4	13.1	10.8
Virginia	130.4	113.0	119.2	107.4	111.4	112.5	111.4	122.4
Washington	50.6	43.6	48.9	39.3	45.4	48.9	54.1	45.4
West Virginia	39.7	36.6	54.2	31.0	55.9	48.9	38.4	43.6
Wisconsin	76.9	73.3	75.4	71.4	65.2	76.1	84.6	76.1
Wyoming	6.1	6.0	5.8	6.1	5.1	6.5	5.9	5.3

* Provided by the California Association of REALTORS®.

p Preliminary

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*
(Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
	1986	1987	1988^p	1987	1988			
				IV	I	II	III	IV^p
Akron	$ 56.2	$ 57.1	$ 59.9	$ 58.1	$ 57.1	$ 60.1	$ 62.6	$ 58.4
Albany/Schenectady/Troy	72.7	86.4	92.2	90.3	87.0	91.1	92.3	100.1
Albuquerque	1.6	82.6	80.4	79.8	79.7	81.6	83.4	75.8
Orange County(Anaheim/Santa Ana MSA)**	147.7	167.3	211.4	174.9	183.8	204.0	226.2	231.2
Baltimore	74.0	81.1	88.7	84.3	83.6	87.3	92.3	89.6
Baton Rouge	70.9	67.8	64.7	65.5	65.7	64.5	64.1	64.8
Birmingham	68.3	71.6	75.7	73.9	73.1	76.5	77.3	74.9
Boston	159.2	177.2	181.2	177.5	176.9	182.9	183.8	182.8
Buffalo/Niagara Falls	52.4	56.7	65.6	59.2	64.1	64.8	66.6	67.5
Charleston	n/a	72.7	73.1	73.2	72.6	73.5	74.4	71.3
Chattanooga	55.3	59.0	63.5	60.3	61.2	63.2	64.2	64.9
Chicago	86.1	90.8	99.7	91.5	92.8	99.3	100.8	101.4
Cincinnati	n/a	66.1	69.7	69.1	66.7	69.6	71.8	70.2
Cleveland	66.9	68.1	69.1	67.6	66.5	69.9	69.8	69.0
Columbus	65.5	68.7	72.6	69.3	66.2	73.4	74.5	74.6
Dallas/Ft. Worth	92.8	89.2	84.8	85.8	85.9	85.5	84.7	84.1
Denver	86.4	88.9	81.8	86.5	83.7	83.4	81.1	79.7
Des Moines	55.9	55.6	55.8	52.1	54.5	58.2	55.0	54.8
Detroit	58.1	65.6	73.1	66.3	71.5	72.3	76.4	73.4
El Paso	59.0	59.2	59.6	58.6	57.8	60.5	62.0	58.8
Ft.Lauderdale/Hollywood/Pompano Beach	77.7	79.6	81.1	80.6	78.6	79.2	84.7	81.4
Grand Rapids	50.4	53.5	57.9	55.7	55.4	58.3	59.0	59.2
Hartford	129.0	157.4	167.6	163.9	166.4	169.0	168.8	165.0
Honolulu	172.0	186.0	215.1	193.3	198.4	198.7	226.0	231.4
Houston	69.9	65.9	61.8	62.8	60.2	63.5	65.5	56.8
Indianapolis	59.0	62.5	66.1	60.7	61.8	66.7	67.5	66.6
Jacksonville	62.8	65.1	67.7	65.2	68.9	67.4	67.2	67.9
Kansas City	65.4	69.8	70.5	68.5	70.9	71.9	69.9	69.3
Knoxville	60.3	65.4	67.0	65.6	66.3	65.5	69.1	66.9
Lansing	52.4	54.5	56.6	53.6	53.4	57.8	57.0	56.7
Las Vegas	77.5	77.0	78.8	76.7	75.7	77.9	80.7	80.8
Los Angeles Area**	128.8	147.7	180.1	153.4	159.9	175.9	190.9	191.2
Louisville	51.7	51.7	54.6	51.5	52.2	54.1	56.0	55.6
Memphis	70.6	75.0	76.3	76.3	77.5	76.8	76.6	74.5
Miami/Hialeah	81.1	81.1	82.7	80.4	78.0	83.5	82.6	82.9
Milwaukee	69.9	70.5	74.5	70.8	72.6	75.3	75.6	73.1
Minneapolis/St Paul	77.9	80.5	85.2	80.6	84.4	84.3	86.0	87.2
Nashville/Davidson	70.8	75.5	77.6	77.2	77.6	78.3	78.1	76.5
New Orleans	n/a	n/a	73.5	74.1	73.0	73.2	74.8	70.7
New York/Northern New Jersey/Long Island	160.6	183.5	183.7	185.1	187.0	194.0	192.1	178.5
Oklahoma City	63.0	62.3	56.2	59.5	56.5	56.9	57.9	53.5
Omaha	58.8	59.0	59.5	57.5	58.3	58.7	60.3	59.9
Orlando	72.5	76.2	79.1	78.7	78.7	77.7	81.3	78.1
Philadelphia	82.4	97.0	102.4	92.6	97.7	101.9	106.5	104.6
Phoenix	78.4	80.9	80.0	80.4	79.0	79.1	82.3	79.6
Pittsburgh	n/.a	n/.a	63.4	n/a	60.9	62.2	66.3	63.7
Portland	62.6	64.2	64.4	66.3	62.9	64.9	64.8	64.8
Providence	87.6	121.4	130.6	127.6	123.3	130.4	131.9	133.0
Riverside/San Bernadino**	94.5	96.1	106.7	97.1	95.5	104.9	109.6	113.2
Rochester	68.3	72.5	75.7	72.8	73.2	73.7	78.3	76.3
St. Louis	70.9	74.3	78.1	73.3	74.1	79.5	81.1	75.7
Salt Lake City/Ogden	68.5	69.4	67.7	67.9	65.3	66.9	70.0	67.7
San Antonio	69.2	70.2	65.0	67.6	63.4	65.2	68.2	62.1
San Diego**	118.2	129.2	147.8	132.6	134.4	142.6	152.1	157.2
San Francisco Bay Area**	161.2	171.3	206.4	176.0	178.8	196.0	213.7	228.1
Seattle/Tacoma	n/a	82.6	94.0	84.2	88.2	93.6	89.8	91.9
Syracuse	64.3	68.9	74.6	70.0	68.1	74.9	75.4	75.9
Tampa/St.Petersburg/Clearwater	61.1	63.8	65.4	63.4	60.2	65.5	67.9	65.3
Toledo	56.0	56.3	58.4	54.7	56.5	59.7	59.9	56.4
Tulsa	65.5	65.7	65.0	63.1	63.5	65.0	65.5	65.3
Washington, DC	101.6	114.2	132.4	121.5	132.4	131.2	135.8	129.7
West Palm Beach/Boca Raton/Delray Beach	92.6	102.6	99.2	102.4	91.5	94.8	107.4	103.7

n/a Not Available p Preliminary

* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas. **Provided by the California Association of REALTORS®.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED (Thousands of Units)

Year		Total	In structures with – –			Regions			
			1 unit	2 to 4 units	5 units or more	Northeast	Midwest	South	West
1983		1,703	1,068	114	522	168	218	935	382
1934		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
1988		1,487	1,080	59	348	235	273	575	405
			Seasonally Adjusted Annual Rates						
1987	Dec	1,399	1,035	51	313	222	281	576	320
1988	Jan	1,382	1,016	53	313	306	226	463	387
	Feb	1,519	1,102	59	358	307	259	593	360
	Mar	1,529	1,172	57	300	290	262	572	405
	Apr	1,584	1,093	58	433	265	345	595	379
	May	1,393	1,004	52	337	200	269	562	362
	Jun	1,465	1,092	62	311	241	263	584	377
	Jul	1,477	1,068	51	358	257	285	562	373
	Aug	1,461	1,078	61	322	218	241	563	432
	Sep	1,467	1,045	61	361	208	259	573	427
	Oct[r]	1,533	1,136	63	334	200	271	583	479
	Nov[r]	1,558	1,135	70	353	224	263	611	460
	Dec[p]	1,524	1,114	66	344	179	329	589	427

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW ONE-FAMILY HOUSES SOLD (Thousands of houses sold during period)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987		671	117	97	271	186					
1988[p]		677	101	98	274	204					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Dec	586	78	99	240	168	37	5	6	16	11
1988	Jan	579	101	94	206	178	43	7	5	16	15
	Feb	664	112	108	264	164	68	11	9	30	19
	Mar	664	114	91	280	179	68	11	9	30	19
	Apr	681	110	94	287	190	68	10	10	28	19
	May	681	101	94	291	195	64	10	10	27	18
	Jun	718	113	93	287	224	65	11	8	25	20
	Jul	703	104	93	283	222	57	9	8	23	17
	Aug	714	100	99	300	215	59	8	9	25	17
	Sep[r]	691	85	100	260	246	54	7	8	21	18
	Oct[r]	722	96	114	270	241	58	9	9	20	20
	Nov[r]	665	68	113	253	232	44	5	7	17	15
	Dec[p]	669	104	88	248	229	42	7	5	16	14

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF DECEMBER
(Percentage Distribution)

Price Class	Dec 1984	Dec 1985	Dec 1986	Dec 1987r	Dec 1988p
Under $60,000	18	14	12	6	7
$60,000 to $79,999	34	26	22	18	16
$80,000 to $99,999	18	23	20	19	16
$100,000 to $119,999	8	9	10	11	12
$120,000 to $149,999	9	9	14	15	14
$150,000 and over	13	18	22	31	35
Median Sales Price	$78,300	$87,900	$95,000	$111,800	$121,000

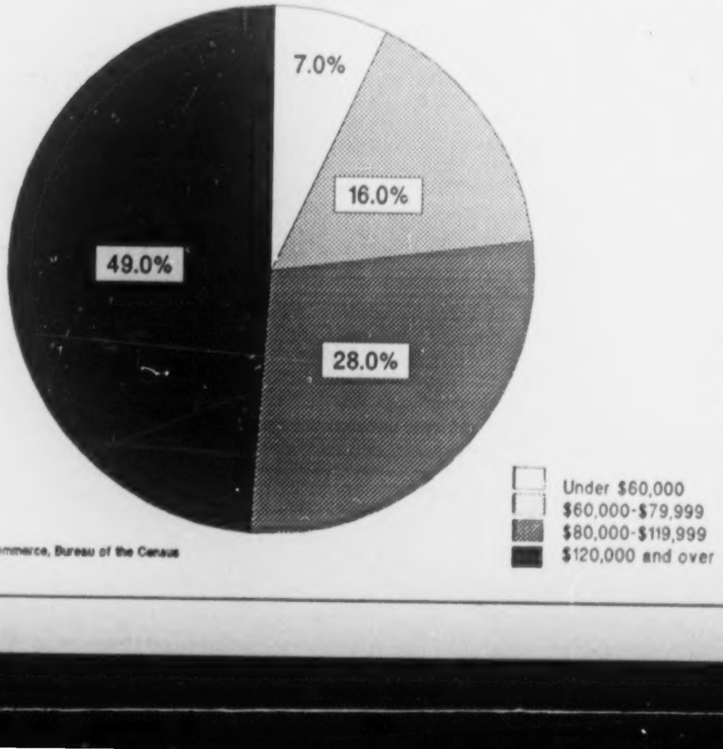
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
FOURTH QUARTER 1988p
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	7	*	10	11	4
$60,000 to $79,999	17	9	19	25	10
$80,000 to $119,999	30	24	38	31	29
$120,000 and over	46	67	33	33	57
Median Sales Price	$113,500	$157,900	$95,000	$91,500	$129,600

* Insufficient Sample Size
p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
DECEMBER 1988 p
(Percentage Distribution)



Source: U.S. Department of Commerce, Bureau of the Census
p Preliminary

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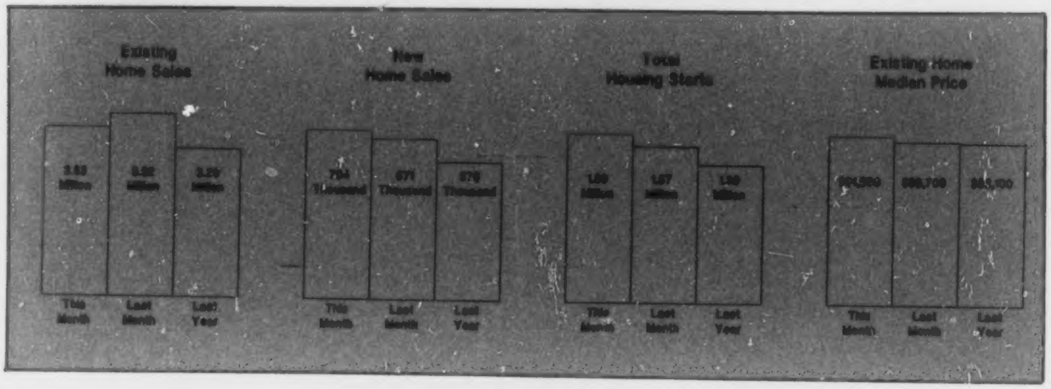
Vol. 3, No. 2

February 1989

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Sales of existing and new homes diverged in January. Existing home sales volume fell 7.4 percent from December's hectic pace to a seasonally adjusted annual rate of 3,630,000 units. By contrast, the new home sales rate climbed 4.9 percent to an annualized pace of 671,000 transactions.
- The inventory of homes available for sale increased 104,000 units to a total 2,631,000 units. The supply of existing single-family homes on the market jumped 4.5 percent to 2,260,000 units while the number of new homes available for sale rose about one percent to 371,000. The January supply of available existing and new homes was 7.5 months and 6.3 months, respectively.
- Total new home construction jumped sharply as housing starts posted an 8.0 percent gain to a seasonally adjusted annual rate of 1,693,000 units. Mild weather was a contributing factor to particularly strong rebounds in both one-unit and multi-unit structures.
- Existing and new home prices moved in opposite directions. The median price of an existing single-family home jumped $2,800 to reach its former high of $91,500. The new home median price fell $8,400 to $113,000.
- Housing affordability was adversely affected by a further increase in mortgage interest rates and home prices. The Housing Affordability Index decreased 3.2 points to 108.0, a new 12-month low.

REALTOR®

ECONOMICS AND RESEARCH DIVISION
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SURVEY DESCRIPTION

Publication

1 "Home Sales" is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®

Coverage

2 Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 400 Boards of REALTORS® and multiple listing systems In 1985 data on over 1,590,000 existing single-family homes were received and processed

3 Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market While almost all are located in, or adjacent to standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country

Regions

4 Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH
Alabama
Arkansas
Delaware
Dist of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W Virginia

MIDWEST
Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST
Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5 Regional weights have been developed to represent the estimated importance of each region in the national existing home market These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility Weights are periodically revised to reflect shifts in regional demand The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing Weights assigned each region are

Northeast	14	South	35
Midwest	28	West	23

Sales Volume

6 Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing

7 Regional sales are then aggregated to yield national sales volume Because of the method of computation, regional figures will not always total to the U.S. statistic Such differences are due entirely to rounding

8 Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium co-op statistics A constant "blow-up" factor is used These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing State estimates are then adjusted to conform with regional totals

9 In the main, a transaction is reported when the sales contract is signed, but a number of Boards report "closings" To the extent "closings" are contained in this series, they introduce a "distributive lag" effect which tends to smooth out month-to-month fluctuations in reported volume

Sales Price

10 Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price

11 Movements in sales prices should not be interpreted as measuring changes in the cost of a *standard home* Prices are influenced by changes in cost *and* changes in the characteristics and size of homes actually sold

12 There is a modest degree of seasonal variation in reported selling prices Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn However, sales prices are *not seasonally adjusted*

Seasonal Adjustment

13 Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census The procedure includes adjusting for trading-day variation—the number of Mondays, Tuesdays, etc., in a particular month This type of fluctuation in the data was found to be significant

14 Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic

15 Seasonal indices are based on monthly single-family home sales activity dating from July 1966 Seasonal patterns for apartment condominium cooperative sales and state home sales are based on a quarterly data beginning in 1975 New seasonal adjusters are constructed at the conclusion of each year Data for the three preceding years are revised using these new seasonal factors

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READY, WILLING, AND ABLE?

No issue is more critical to the health of the housing market than having a supply of ready, willing, and able buyers. Increasingly that has become a problem. Readiness is not the issue. The baby boom has grown up to early middle age, but large numbers of that generation have not yet purchased their first home. They have postponed marriage, postponed children while careers were being established, and postponed buying their first home, but now they are ready to buy and find themselves thwarted.

They are willing. Nearly three-quarters of renters responding to a survey a couple of years ago indicated they would very much or somewhat like to own, but because of a variety of reasons have not yet purchased. These same renters indicated that owning one's home was the most important single element in the "good life", further evidence they are willing to buy.

But the fact remains that even though some improvement in homeownership rates has been detected in the last two years, that these young homebuyers have still not entered the market. The ability to make the purchase must, therefore, be called into question.

This space has devoted attention to this issue repeatedly during the last year, most recently introducing the new affordability index for first-time buyers. This time I want to draw some parallels to research conducted by others that points out the problem in a slightly different fashion.

Each year the Chicago Title & Trust Company publishes statistics about its clients. This year this information is very useful in analyzing housing affordability. Of the purchasers of title insurance who were purchasing their first home, only 18.3 percent had incomes lower than $30,000. This is nearly 50 percent higher income than the typical family who would ordinarily be in the market for their first home. More significantly, 70.7 percent of renter families in their prime first-time homebuyer years have incomes below the $30,000 threshhold. First time homebuyers are clearly becoming an economically elite group.

Even with their above-average incomes, the lenders are being generous with the first-time buyers. The average monthly payment for first-time buyers in the Chicago Title study was nearly 35 percent of monthly income and well above the FNMA standard (28 percent) for loan purchase in the secondary market. Theoretically the lenders are holding these loans in their own portfolio for a time until they become conforming loans, a circumstance which reduces the liquidity of the financial institutions.

Finally, what does it take to purchase a home? Increasingly, homeownership is becoming the exclusive domain of the two-income household. Including both first-time and repeat buyers, the Chicago Title study showed that for all income levels above $30,000, over three-quarters of the buyers were from dual earner households, and even in the lower income range nearly two-thirds were from two wage families. These statistics imply that once they make the purchase, these families have less time to enjoy the fruits of their labor and reap the lifestyle advantages of homeownership.

Glenn E. Crellin
Division Vice President

JANUARY HOUSING MARKETS

Existing single-family home sales activity cooled down in January while new home sales increased for the second month in a row.

The pace of the resale housing market slowed to a seasonally adjusted annual rate of 3,630,000 units, 7.4 percent below the December level of 3,920,000 units. By contrast, new home sales rose to an annualized rate of 704,000 units, 4.9 percent above December's pace of 671,000.

It was no surprise that December's torrid existing home sales pace did not carry into January. This high level of activity was almost certain to be impacted by the rising mortgage interest rates, notwithstanding the continuing strength in the economy and homebuyer demand.

When viewed on a regional basis, three of the four regions experienced decreases in sales volume. The South reported the sharpest month-to-month decrease with sales falling 12.6 percent to a seasonally adjusted annual rate of 1,310,000 units. Sales in the West followed the South with an 8.6 percent drop to 640,000 units. Activity in the Midwest decreased a modest 5.9 percent to a 950,000 unit pace. By contrast, the Northeast was the only region reporting an increase – 1.4 percent to 710,000 units.

Inventory Available for Sale

The slowdown in the December sales rate was accompanied by an increase in the inventory of houses available for sale. The overall supply of houses on the market increased by 104,000 units to a total 2,631,000 units in January. The number of existing single-family homes on the market increased 4.5 percent to 2,260,000 units while that of new homes rose 1.1 percent to 371,000 structures.

The months' supply of houses on the market increased for existing homes but decreased for new homes. The January supply of existing and now single-family homes stood at 7.5 months and 6.3 months respectively.

Housing Construction

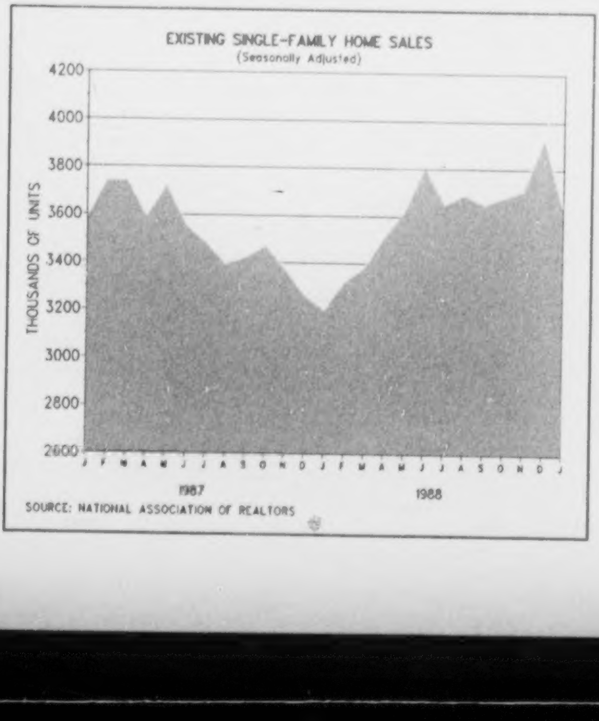
New home construction climbed significantly in January as total new privately owned housing units started broke out of the 1988 doldrums to post the highest monthly rate of the past 12 months. The reported jump in activity was caused primarily by widespread mild weather.

All categories of housing shared in an overall increase of 8.0 percent to a seasonally adjusted annual rate of 1,693,000 units. Construction of single-family units rose 7.1 percent to a seasonally adjusted annual rate of 1,203,000 units. Structures with 5 units or more rebounded 10.5 percent to an annualized rate of 419,000.

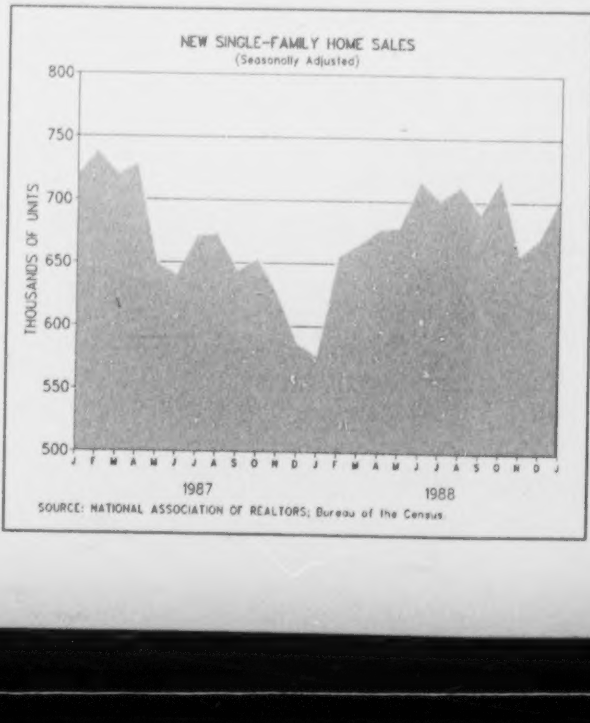
Three of the four regions posted an increase with the Northeast reporting the sharpest increase of all, 51.8 percent to a seasonally adjusted annual rate of 296,000. The South and West were also stronger with gains of 3.0 percent and 4.4 percent to 616,000 units and 449,000 units, respectively.

Home Sales Prices

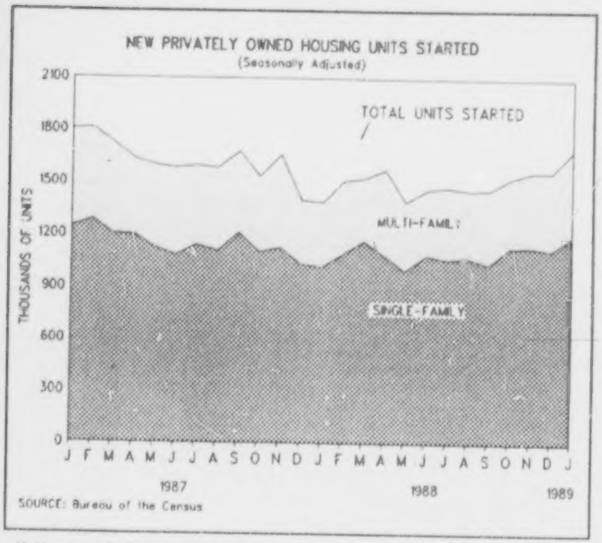
In January, existing single-family house prices recouped their recent seasonal declines to match the



SOURCE: NATIONAL ASSOCIATION OF REALTORS



SOURCE: NATIONAL ASSOCIATION OF REALTORS; Bureau of the Census



NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Seasonally Adjusted)

SOURCE: Bureau of the Census

all-time high recorded in August 1988. New home prices, however, moved considerably lower.

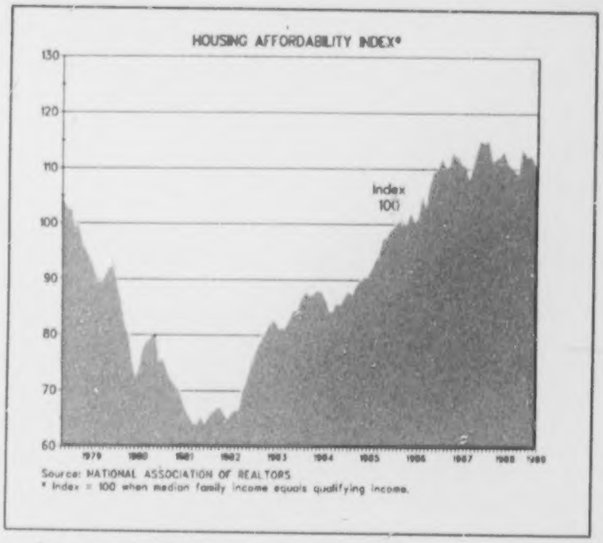
The median price of an existing single-family home increased $2,800 to its former high of $91,500, 4.7 percent above the same month a year ago, and confirming that move-up buyers are continuing to provide thrust for the market. By contrast, the new home median price dropped $8,400 to $113,000, 5.0 percent below the level of January 1988.

Existing single-family home prices in the regions were mixed with prices particularly strong in the South and somewhat weaker in the Northeast. Prices in the South recovered from last month's dip by registering a $6,500 increase to $84,700, 5.2 percent above a year ago. At the same time, the West registered a $2,400 month-to-month gain, 9.9 percent above the year-ago level and the Midwest edged up $1,500, 2.1 percent above last year. By contrast, prices in the Northeast are advancing at a more reasonable rate than a year or two ago and in fact reported a $1,900 slide from December, but are still up 4.8 percent from last January.

Resale Housing Affordability

Rising housing costs combined with an increase in the effective mortgage interest rate for loans closed made homebuying more difficult in January. The Housing Affordability Index fell 3.2 points to 108.0, the lowest it has been in the past 12 months. The sharp $2,800 rebound in home prices was a major influence in pushing the affordability index down.

At its present level, the Housing Affordability Index means that the family earning the median family income of $32,207 for January had 108.0 percent of the income required to minimally qualify for a conventional mortgage covering 80 percent of the median price of $91,500.



HOUSING AFFORDABILITY INDEX*

Source: NATIONAL ASSOCIATION OF REALTORS
* Index = 100 when median family income equals qualifying income.

As a result of the increase in mortgage interest rates there has been a narrowing of the gap between the fixed-rate and adjustable-rate affordability indexes, making the adjustable rate mortgage less attractive. The rising rates discourage homebuyers from using ARMs to the extent that users of adjustable rate mortgages face the possibility of having to meet substantially higher monthly payments as the interest rate caps move to higher levels.

Homebuying conditions improved moderately for first-time homebuyers in the fourth quarter of 1988. The revised index for the period rose one point to 78.3, still woefully below the overall Housing Affordability Index which averaged 111.8 in the fourth quarter.With the first-time home buyer affordability index at 78.3, the typical renter family in their prime homebuying years had 78.3 percent of the income required to qualify for a mortgage on a typically priced starter home, assuming a down payment of 10 percent.

Condominium/Cooperative Resales

Total apartment condominium/cooperative resales in the fourth quarter declined 6.6 percent to a 327,000 unit seasonally adjusted annual rate, 3.8 percent below the fourth quarter of a year ago. Regional sales were mixed. The market in the Northeast has indeed cooled down, reporting an abrupt 16.3 percent drop to an annualized rate of 139,000 units. This was a whopping 66.5 percent off the all-time high of 209,000 units reached in the first quarter of the year. Activity in the other three regions did not vary quite so dramatically. Sales in the Midwest dropped a significant 13.4 percent to a 50,000 pace. By contrast, the South posted a 5.7 percent quarter-to-quarter gain to a 92,000 unit rate while the West jumped 18.2 percent to 39,000 units.

Apartment condo/co-op prices moved somewhat lower to $80,200 in the fourth quarter of 1988. This was still 2.4 percent above the same quarter of last year. When viewed regionally, prices in the Northeast slipped a modest 1.7 percent to $111,100 while the West posted a steeper 5.0 percent drop to $105,000. By contrast, the Midwest registered a modest 1.6 percent gain to $62,500 and the cost of a typical condominium home in the South was unchanged at $63,400.

Total Home Sales

Total home sales reached a new post-recovery high in the fourth quarter of 1988 when 4,140,000 existing homes were sold on a seasonally adjusted rate basis. This was 3.0 percent above the previous quarter and 11.0 percent greater than the same quarter a year ago.

Quarter-to-quarter regional comparisons point to the slippage in the Northeast where overall sales decreased 2.4 percent to an annualized rate of 820,000 units. The other three regions displayed varying degrees of strength with the Midwest leading the way recording a 6.1 percent volume increase to a 1,040,000 annualized pace. The South followed by posting an 5.4 percent gain to a 1,560,000 pace and the West edged upward 1.4 percent to a 720,000 unit rate.

State Resale Market

Fourth quarter existing house sales activity was generally strong when compared to the same quarter of a year ago. In fact, sales volume was higher than the year before in seven out of every 10 states. This was particularly noticeable in the South and West where 13 of 18 Southern states and all 10 Western states reported gains. Indeed, the only region reporting more decreases than increases was the Northeast where 5 of the 9 states registered lower levels of sales activity.

The states with fourth quarter increases of 20 percent or more were West Virginia (40.6%), Iowa (30.5%), Minnesota (30.4%), South Dakota (26.6%), Maryland (22.6%) and Washington D.C. (20.4%). Those states with the fourth quarter decreases of 10% or more were Florida (-11.7%), Hawaii (-11.9%), Alabama (-12.5%), Wyoming (-13.1%), Kentucky (-16.5%), Vermont (-20.0%), New Jersey (-21.4%), Massachusetts (-25.8%), and New Hampshire (-26.2%).

Metropolitan Home Prices

Metropolitan area home prices continued to advance in the fourth quarter. Comparisons with the fourth quarter of last year reveal that more than 7 of every 10 metropolitan areas in our survey reported price increases over the period. While prices in the Northeast have cooled considerably, seven of the eight mets in the Northeast reported price increases, with four of them registering increases of 5 percent or more. Prices continue to be sluggish in the South and West where 15 of the 16 mets reporting decreases are from those two regions. Metropolitan areas reporting price increases in excess of 10 percent in the fourth quarter were Orange County (32.2)%, San Francisco Bay Area (29.6%), Los Angeles Area (24.6%), San Diego (18.6%), Riverside San Bernadino (16.5%), Honolulu (16.4%), Buffalo/Niagara Falls (14.0%), Philadelphia (13.0%), Albany/Schenectady/Troy (10.9%), Chicago (10.8%), and Detroit (10.7%). Those metro areas reporting price decreases of 5 percent or more are Albuquerque (-5.0%), Denver (-7.9%), San Antonio (-8.1%), Houston (-9.6%), and Oklahoma City (-10.1%).

Hal Juul, Director of Surveys

State Home Resales
(Change from 4th Quarter 1987)

Down 10% or More

Alabama
Florida
Hawaii
Kentucky
Massachusetts
New Hampshire
New Jersey
Vermont
Wyoming

Down 0.1 - 9.9%

Delaware
Idaho
Maine
Missouri
North Dakota
Ohio

Up 0.1 - 9.9%

Arkansas
Georgia
Indiana
Kansas
Michigan
Montana
New Mexico
New York
North Carolina'
Oregon
Pennsylvania
South Carolina
Tennessee
Texas
Utah
Wisconsin

Up 10% or More

Alaska
Arizona
California
Colorado
Connecticut
District of Columbia
Illinois
Iowa
Louisiana
Maryland
Minnesota
Mississippi
Nebraska
Nevada
Oklahoma
Rhode Island
South Dakota
Virginia
Washington
West Virginia

Metropolitan Home Sales Price
(Changed from 4th Quarter 1987)

Down

Albuquerque
Baton Rouge
Charleston,SC
Dallas/Ft.Worth
Denver
Houston
Memphis
Nashville/Davidson
New Orleans
New York/Northern New Jersey/ Long Island
Oklahoma
Orlando
Phoenix
Portland
Salt Lake City/Ogden
San Antonio

Up 0.1 - 4.9%

Akron
Birmingham
Cleveland
Cincinnati
El Paso
Ft.Lauderdale/ Hollywood/ Pompano Beach
Hartford
Jacksonville
Kansas City
Knoxville
Miami/Hialeah
Milwaukee
Omaha
Providence
Rochester
St. Louis
Tampa/St.Petersburg/ Clearwater
Toledo
Tulsa
West Palm Beach/Boca Raton/Delray Beach

Up 5.0 - 9.9%

Baltimore
Chattanooga
Columbus
Des Moines
Grand Rapids
Indianapolis
Lansing
Las Vegas
Louisville
Minneapolis/St. Paul
Seattle/Tacoma
Syracuse
Washington, D.C.

Up 10% or More

Albany/Schenectady/Troy
Buffalo/Niagara Falls
Chicago
Detroit
Honolulu
Los Angeles Area
OrangeCounty/Anaheim/ Santa Ana MSA
Philadelphia
Riverside/San Bernadino
San Diego
San Francisco

UNITED STATES SUMMARY

Year		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
		Existing	New	Existing	New	Existing	New	Existing	New
1983		2,719,000	623,000	1,980,000	304,000	*	*	$ 70,300	$ 75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,500
1988[r]		3,594,000	677,000	2,160,000	367,000	*	*	89,300	112,500
1988[r]	Jan	3,200,000	576,000	2,330,000	367,000	8.6	7.7	$ 88,100	$119,000
	Feb	3,320,000	656,000	2,640,000	359,000	10.3	6.8	88,900	110,900
	Mar	3,380,000	665,000	2,690,000	372,000	9.6	6.8	88,900	108,900
	Apr	3,510,000	677,000	2,780,000	367,000	9.6	6.6	88,000	111,000
	May	3,620,000	679,000	2,850,000	370,000	9.4	6.7	89,600	110,000
	Jun	3,800,000	716,000	2,680,000	367,000	8.4	6.3	90,200	111,500
	Jul	3,650,000	701,000	2,520,000	365,000	8.3	6.4	90,700	118,000
	Aug	3,690,000	712,000	2,540,000	363,000	8.2	6.3	91,500	110,000
	Sep	3,650,000	691,000	2,430,000	361,000	7.9	6.5	88,500	116,600
	Oct	3,680,000	718,000	2,400,000	353,000	7.9	6.1	88,900	112,900
	Nov	3,710,000	658,000	2,600,000	364,000	8.5	6.8	88,500	110,300
	Dec	3,920,000	671,000	2,160,000	367,000	6.5	6.7	88,700	121,400
1989	Jan[p]	3,630,000	704,000	2,260,000	371,000	7.5	6.3	$ 91,500	$113,000

r Revised p Preliminary * not applicable

Source: New home sales data from Census Bureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
1988[r]		3,594,000	673,000	929,000	1,350,000	642,000					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988[r]	Jan	3,200,000	650,000	920,000	1,110,000	520,000	186,000	37,000	48,000	72,000	30,000
	Feb	3,320,000	660,000	880,000	1,230,000	540,000	220,000	39,000	66,000	81,000	34,000
	Mar	3,380,000	650,000	870,000	1,270,000	600,000	301,000	53,000	84,000	113,000	52,000
	Apr	3,510,000	660,000	910,000	1,320,000	620,000	316,000	57,000	90,000	118,000	51,000
	May	3,620,000	690,000	910,000	1,370,000	640,000	343,000	64,000	93,000	126,000	60,000
	Jun	3,800,000	720,000	1,000,000	1,410,000	680,000	379,000	73,000	102,000	133,000	71,000
	Jul	3,650,000	690,000	930,000	1,370,000	660,000	328,000	65,000	85,000	122,000	56,000
	Aug	3,690,000	680,000	930,000	1,400,000	670,000	368,000	73,000	94,000	134,000	66,000
	Sep	3,650,000	650,000	910,000	1,390,000	700,000	315,000	62,000	73,000	114,000	66,000
	Oct	3,680,000	640,000	940,000	1,410,000	690,000	304,000	59,000	73,000	114,000	59,000
	Nov	3,710,000	680,000	940,000	1,410,000	680,000	276,000	46,000	61,000	119,000	50,000
	Dec	3,920,000	700,000	1,010,000	1,500,000	700,000	258,000	44,000	62,000	105,000	48,000
1989	Jan[p]	3,630,000	710,000	950,000	1,310,000	640,000	217,000	40,000	52,000	87,000	38,000

Components may not agree with totals due to rounding.

r Revised p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES
(Billions of Dollars)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
1983		$ 225.9	$ 42.1	$ 44.6	$ 84.4	$ 53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
1988^r		405.4	104.6	73.4	136.0	93.3					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988^r	Jan	$350.6	$ 96.8	$72.1	$110.2	$ 72.2	$20.4	$ 5.5	$3.7	$ 7.1	$ 4.2
	Feb	367.7	99.7	68.2	126.6	75.2	24.4	6.0	5.1	8.3	4.7
	Mar	377.7	100.7	67.0	129.2	83.8	33.6	8.2	6.4	11.5	7.3
	Apr	385.0	102.7	70.5	128.8	85.4	34.7	8.9	6.9	11.6	7.0
	May	410.1	108.3	72.1	141.1	92.2	38.8	10.1	7.3	13.0	8.6
	Jun	439.0	114.2	80.9	145.8	100.4	43.7	11.6	8.3	13.8	10.4
	Jul	418.8	108.4	74.9	142.7	96.1	37.6	10.3	6.8	12.7	8.2
	Aug	425.8	110.2	75.4	143.7	99.4	42.4	11.8	7.6	13.7	9.8
	Sep	410.8	99.9	71.0	138.1	104.4	35.4	9.6	5.7	11.3	9.7
	Oct	413.0	100.1	74.1	137.0	102.5	34.2	9.1	5.8	11.0	8.8
	Nov	417.0	103.9	73.6	139.3	101.6	31.0	7.0	4.7	11.8	7.5
	Dec	438.6	106.4	79.6	147.5	104.7	29.9	5.5	4.9	10.2	7.1
1989	Jan^p	411.4	108.4	76.3	132.5	95.4	24.5	6.1	4.2	8.8	5.7

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES
(Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
				Median					Average(Mean)		
1982		$67,800	$ 63,500	$55,100	$67,100	$ 98,900	$ 80,500	$ 75,400	$60,700	$ 78,700	$114,200
1983		70,300	72,200	56,600	69,200	94,900	83,100	85,400	62,900	81,500	111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1988^r		89,300	143,000	68,400	82,200	124,900	112,800	155,500	78,900	100,800	145,400
1988^r	Jan	$88,100	$134,500	$67,800	$80,500	$119,300	$109,500	$149,200	$78,800	$ 98,800	$138,000
	Feb	88,900	138,200	67,300	84,600	118,900	110,900	151,500	77,200	102,900	138,400
	Mar	88,900	142,100	67,200	83,300	119,900	111,600	155,200	76,900	101,900	140,600
	Apr	88,000	141,000	67,600	81,000	117,700	109,600	154,600	77,300	97,900	137,700
	May	89,600	144,100	69,000	84,200	123,100	113,300	156,400	78,900	103,000	143,500
	Jun	90,200	147,300	70,000	83,900	127,000	115,400	158,800	81,100	103,600	147,700
	Jul	90,700	144,700	69,400	84,700	125,300	114,700	157,500	80,400	104,100	145,700
	Aug	91,500	148,400	69,800	83,400	126,900	115,400	161,200	81,000	102,400	147,900
	Sep	88,500	141,500	67,500	81,400	128,300	112,600	154,100	77,800	99,600	148,800
	Oct^r	88,900	144,400	68,000	80,500	130,000	112,300	155,700	79,100	97,100	149,100
	Nov	88,500	140,700	67,400	80,400	130,900	112,400	152,500	78,100	98,700	150,400
	Dec	88,700	143,000	67,700	78,200	128,700	112,000	152,500	79,000	97,800	149,100
1989	Jan^p	91,500	141,100	69,200	84,700	131,100	113,300	152,600	80,200	101,100	148,000

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS
(Percentage Distribution)

Price Class	Jan 1985	Jan 1986	Jan 1987	Jan 1988^r	Jan 1989^p
$ 19,999 or under	2.5	1.9	1.2	1.9	2.1
$ 20,000-$ 29,999	3.4	3.0	2.3	2.8	3.0
$ 30,000-$ 39,999	7.0	6.0	5.5	5.1	4.8
$ 40,000-$ 49,999	9.9	8.9	8.1	7.2	6.5
$ 50,000-$ 59,999	11.5	11.3	9.9	8.8	8.0
$ 60,000-$ 69,999	11.8	11.4	10.4	9.4	8.4
$ 70,000-$ 79,999	10.1	10.5	9.8	8.6	8.4
$ 80,000-$ 89,999	8.9	9.1	9.1	7.8	7.9
$ 90,000-$ 99,999	6.5	6.9	7.0	6.1	6.3
$100,000-$119,999	8.8	8.6	9.5	9.1	9.1
$120,000-$159,999	10.6	11.3	12.8	14.5	14.2
$160,000-$199,999	4.2	5.0	6.1	7.2	8.8
$200,000-$249,999	2.3	2.7	3.7	5.0	5.4
$250,000 and over	2.5	3.4	4.6	6.5	7.1
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$73,800	$77,100	$82,900	$88,100	$91,500

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS
JANUARY 1989^p
(Percentage Distribution)

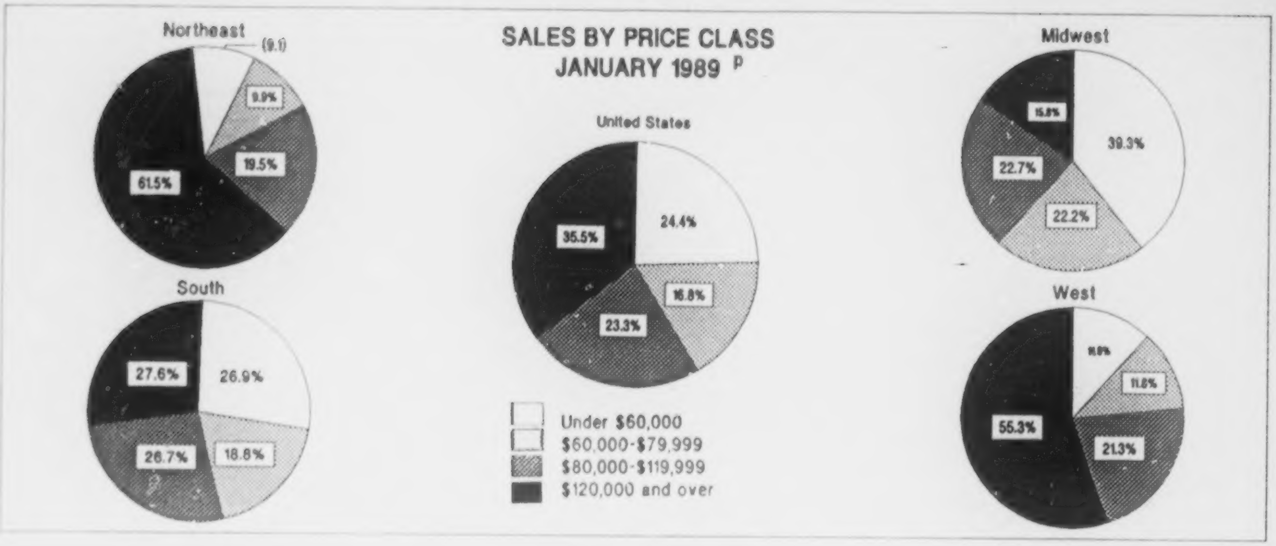
Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	17.7	14.5	20.5	15.1	20.6
3 Bedrooms	53.1	50.9	54.0	56.5	48.9
4 Bedrooms or more	29.2	34.6	25.5	28.4	30.5
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS
JANUARY 1989^p
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	2.1	1.5	3.7	1.9	0.9
$ 20,000 - $ 29,999	3.0	0.7	5.8	3.0	0.9
$ 30,000 - $ 39,999	4.8	1.3	7.9	5.6	1.8
$ 40,000 - $ 49,999	6.5	2.2	9.7	7.6	3.5
$ 50,000 - $ 59,999	8.0	3.4	12.2	8.8	4.5
$ 60,000 - $ 69,999	8.4	4.3	11.6	9.6	5.6
$ 70,000 - $ 79,999	8.4	5.6	10.6	9.2	6.2
$ 80,000 - $ 89,999	7.9	5.7	9.0	9.1	6.1
$ 90,000 - $ 99,999	6.3	4.9	5.9	7.6	6.0
$100,000 - $119,999	9.1	8.9	7.8	10.0	9.2
$120,000 - $159,999	14.2	21.5	9.1	12.8	17.9
$160,000 - $199,999	8.8	16.2	3.4	7.2	13.1
$200,000 - $249,999	5.4	10.3	1.6	3.2	10.2
$250,000 and over	7.1	13.6	1.7	4.4	14.1
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$91,500	$141,100	$69,200	$84,700	$131,100

p Preliminary



SALES BY PRICE CLASS
JANUARY 1989 p

HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes		
							Composite	Fixed	ARM
1983	$70,300	12.85%	$616	30.1%	$24,580	$29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1988r	89,300	9.31	591	22.1	32,100	28,360	113.2	103.3	121.6
1988r									
Jan	$88,100	9.24%	$579	22.5%	$30,957	$27,807	111.3	100.6	118.0
Feb	88,900	9.16	580	22.4	31,061	27,862	111.5	101.5	118.1
Mar	88,900	9.14	579	22.3	31,165	27,812	112.1	108.9	120.3
Apr	88,000	9.21	577	22.1	31,269	27,702	112.9	104.6	123.1
May	89,600	9.22	588	22.5	31,373	28,231	111.1	102.6	120.2
Jun	90,200	9.28	595	22.7	31,476	28,570	110.2	100.7	119.4
Jul	90,700	9.32	601	22.8	31,580	28,830	109.5	99.0	118.6
Aug	91,500	9.32	606	22.9	31,684	29,084	108.9	98.1	117.4
Sep	88,500	9.30	585	22.1	31,788	28,081	113.2	101.0	121.5
Oct	88,900	9.41	593	22.3	31,892	28,481	112.0	100.6	120.5
Nov	88,500	9.48	594	22.3	31,996	28,526	112.2	102.8	119.4
Dec	88,700	9.59	601	22.5	32,100	28,864	111.2	103.0	119.3
1989									
Janp	$91,500	9.61%	$621	23.2%	$32,207	$29,827	108.0	99.2	115.5

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgags Association using a 20 percent down payment.

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Afford-ability Index	Composite Afford-ability Index	Afford-ability GAP (Percent)
1983	$59,800	$5,980	$53,820	12.85%	13.10%	$600	$17,109	$28,799	59.4	83.2	-28.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987	72,700	7,280	65,520	9.28	9.53	552	20,916	26,513	78.9	113.8	-30.7
1988r	75,900	7,590	68,310	9.31	9.56	577	21,898	27,714	79.0	113.2	-30.2
1987											
IV	$72,250	$7,225	$65,025	9.22	9.47	$545	$20,916	$26,176	79.9	115.2	-30.6
1988											
I	$75,300	$7,530	$67,770	9.18%	9.43%	$566	$21,162	$27,187	77.8	112.0	-30.5
II	75,900	7,590	68,310	9.24	9.49	574	21,408	27,547	77.7	111.7	-30.4
III	76,700	7,670	69,030	9.31	9.56	583	21,653	28,006	77.3	111.0	-30.3
IVr	75,400	7,540	67,860	9.49	9.74	583	21,898	27,961	78.3	112.2	-30.2

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES (Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1988^r		357,000	167,000	63,000	87,000	39,000
1987^r	IV	340,000	169,000	57,000	81,000	33,000
1988^r	I	344,000	165,000	57,000	85,000	38,000
	II	414,000	208,000	74,000	83,000	48,000
	III	340,000	154,000	66,000	87,000	33,000
	IV	320,000	138,000	52,000	92,000	38,000

r Revised

TOTAL EXISTING HOME SALES SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1988^r		3,951,000	840,000	992,000	1,437,000	681,000
1987^r	IV	4,108,000	743,000	1,019,000	1,525,000	721,000
1988^r	I	3,640,000	820,000	950,000	1,290,000	590,000
	II	4,060,000	900,000	1,010,000	1,450,000	690,000
	III	4,000,000	830,000	990,000	1,470,000	710,000
	IV	4,090,000	810,000	1,020,000	1,530,000	730,000

r Revised

MEDIAN SALES PRICE OF APARTMENT CONDOS AND CO-OPS, QUARTERLY (Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1988^r		83,100	110,600	60,600	64,500	108,900
1987^r	IV	$78,300	$108,800	$58,700	$59,100	$99,300
1988^r	I	$81,300	$110,100	$57,700	$65,400	$104,200
	II	83,600	110,300	60,600	65,400	107,500
	III	83,300	110,300	61,500	63,500	112,500
	IV	83,500	111,400	61,900	63,900	109,800

r Revised

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
				1987	1988			
	1986	1987	1988 p	IV	I	II	III	IV p
Alabama	60.8	59.7	55.1	59.2	52.4	50.4	55.1	51.8
Alaska	6.1	7.7	9.7	9.1	8.5	8.0	12.2	10.3
Arizona	73.8	67.3	64.8	65.9	53.4	60.0	71.8	74.5
Arkansas	52.8	48.2	48.9	44.0	39.0	51.2	47.9	46.2
California*	484.6	507.0	562.8	515.1	491.5	439.5	586.6	599.9
Colorado	47.5	46.7	49.5	41.8	38.6	52.3	53.1	49.9
Connecticut	52.0	52.5	59.9	50.8	53.6	61.9	60.1	60.5
Delaware	12.9	14.0	13.8	12.5	12.5	13.9	13.3	12.3
District of Columbia	11.6	10.5	11.3	9.3	11.3	10.2	10.6	11.2
Florida	169.4	184.2	190.8	206.1	168.9	171.1	195.2	182.0
Georgia	75.1	89.0	88.7	81.4	88.7	86.8	77.3	87.8
Hawaii	10.0	11.5	10.3	10.9	11.1	10.7	9.9	9.6
Idaho	11.3	10.9	11.2	11.3	10.9	11.1	11.7	10.6
Illinois	179.2	175.3	183.3	178.2	168.6	178.2	193.7	205.4
Indiana	86.1	89.8	84.2	75.2	83.5	96.1	78.3	80.4
Iowa	46.1	48.3	54.4	44.0	58.0	52.9	59.3	57.4
Kansas	54.4	54.4	49.8	47.9	53.6	48.5	51.9	49.0
Kentucky	58.6	64.1	71.1	78.3	66.0	68.6	70.5	65.4
Louisiana	34.0	40.4	36.1	37.8	33.7	26.8	32.3	44.6
Maine	30.8	35.2	34.4	33.4	30.0	36.9	35.1	31.8
Maryland	86.9	78.5	90.4	83.6	72.0	78.8	91.0	102.5
Massachusetts	84.6	100.5	88.5	100.4	96.0	96.6	85.9	74.5
Michigan	186.6	169.6	167.5	151.2	173.8	183.3	156.8	162.5
Minnesota	96.8	89.4	80.5	75.9	78.2	78.9	76.7	99.0
Mississippi	34.2	34.2	32.1	30.8	28.1	30.0	28.5	34.7
Missouri	88.4	88.4	81.7	83.3	94.5	77.2	81.3	78.2
Montana	11.9	11.6	12.0	12.6	9.7	12.2	12.4	12.8
Nebraska	25.5	23.3	22.1	20.3	26.2	21.3	21.3	22.7
Nevada	11.0	12.2	12.3	11.7	11.5	10.7	13.4	13.9
New Hampshire	20.3	19.2	15.5	22.5	16.8	12.8	16.1	16.6
New Jersey	159.6	157.3	139.3	130.0	148.8	160.5	129.1	102.2
New Mexico	19.5	20.0	18.7	17.1	16.5	21.0	18.5	17.7
New York	216.8	223.9	213.5	195.4	206.8	223.9	212.5	199.2
North Carolina	139.2	140.6	148.1	130.9	135.7	130.9	147.1	138.5
North Dakota	9.5	11.2	11.0	11.1	13.0	10.2	10.7	10.3
Ohio	179.9	180.9	176.3	174.1	185.7	187.7	174.1	164.4
Oklahoma	49.4	44.6	52.1	46.8	44.5	45.3	52.8	53.6
Oregon	45.0	48.5	51.8	51.8	48.0	54.5	54.5	52.6
Pennsylvania	258.3	259.5	279.0	275.7	259.9	261.5	296.4	288.4
Rhode Island	13.5	13.4	14.3	12.6	12.5	16.1	13.4	14.1
South Carolina	58.0	60.9	66.4	58.4	43.8	71.1	72.1	60.7
South Dakota	13.2	13.0	15.2	12.8	14.9	15.9	14.6	16.2
Tennessee	112.0	111.2	107.5	103.6	99.6	102.0	96.4	111.5
Texas	198.9	224.3	247.7	237.8	212.3	223.6	246.3	260.4
Utah	14.6	14.6	14.3	14.0	14.0	14.0	14.6	14.6
Vermont	12.4	12.9	12.9	13.5	17.2	12.4	13.1	10.8
Virginia	130.4	113.0	119.2	107.4	111.4	112.5	111.4	122.4
Washington	50.6	43.6	48.9	39.3	45.4	48.9	54.1	45.4
West Virginia	39.7	36.6	54.2	31.0	55.9	48.9	38.4	43.6
Wisconsin	76.9	73.3	75.4	71.4	65.2	76.1	84.6	76.1
Wyoming	6.1	6.0	5.8	6.1	5.1	6.5	5.9	5.3

* Provided by the California Association of REALTORS®.

p Preliminary

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

(Not Seasonally Adjusted in Thousands of Dollars)

	Years			Quarters				
	1986	1987	1988[r]	1987	1988			
Metropolitan Area				IV	I	II	III	IV[r]
Akron	$ 56.2	$ 57.1	$ 59.9	$ 58.1	$ 57.1	$ 60.1	62.6	58.4
Albany/Schenectady/Troy	72.7	86.4	92.2	90.3	87.0	91.1	92.3	100.1
Albuquerque	81.6	82.6	80.4	79.8	79.7	81.6	83.4	75.8
Orange County(Anaheim/Santa Ana MSA)**	147.7	167.3	211.4	174.9	183.8	204.0	226.2	231.2
Baltimore	74.0	81.1	86.7	84.3	83.6	87.3	92.3	89.6
Baton Rouge	70.9	67.8	64.7	65.5	65.7	64.5	64.1	64.8
Birmingham	68.3	71.6	75.7	73.9	73.1	76.5	77.3	74.9
Boston	159.2	177.2	181.2	177.5	176.9	182.9	183.8	179.3
Buffalo/Niagara Falls	52.4	56.7	65.6	59.2	64.1	64.8	66.6	67.5
Charleston	n/a	72.7	73.1	73.2	72.6	73.5	74.4	71.3
Chattanooga	55.3	59.0	63.5	60.3	61.2	63.2	64.2	64.9
Chicago	86.1	90.8	98.9	91.5	92.8	99.3	100.8	98.4
Cincinnati	n/a	66.1	69.7	69.1	66.7	69.6	71.8	70.2
Cleveland	66.9	68.1	69.2	67.6	66.5	69.9	69.8	69.3
Columbus	65.5	68.7	72.6	69.3	66.2	73.4	74.5	74.6
Dallas/Ft. Worth	92.8	89.2	84.8	85.8	85.9	85.5	84.7	83.2
Denver	86.4	88.9	81.8	86.5	83.7	83.4	81.1	79.7
Des Moines	55.9	55.6	55.8	52.1	54.5	58.2	55.0	54.8
Detroit	58.1	65.6	73.1	66.3	71.5	72.3	76.4	73.4
El Paso	59.0	59.2	59.6	58.6	57.8	60.5	62.0	58.8
Ft.Lauderdale/Hollywood/Pompano Beach	77.7	79.6	81.1	80.6	78.6	79.2	84.7	81.4
Grand Rapids	50.4	53.5	57.9	55.7	55.4	58.3	59.0	59.2
Hartford	129.0	157.4	167.6	163.9	166.4	169.0	168.8	165.0
Honolulu	172.0	186.0	215.1	193.3	198.4	198.7	226.0	225.0
Houston	69.9	65.9	61.8	62.8	60.2	63.5	65.5	56.8
Indianapolis	59.0	62.5	66.1	60.7	61.8	66.7	67.5	66.6
Jacksonville	62.8	65.1	67.7	65.2	68.9	67.4	67.2	67.9
Kansas City	65.4	69.8	70.5	68.5	70.9	71.9	69.9	69.3
Knoxville	60.3	65.4	67.0	65.6	66.3	65.5	69.1	66.9
Lansing	52.4	54.5	56.4	53.6	53.4	57.8	57.0	56.2
Las Vegas	77.5	77.0	78.8	76.7	75.7	77.9	80.7	80.2
Los Angeles Area**	128.8	147.7	180.1	153.4	159.9	175.9	190.9	191.2
Louisville	51.7	51.7	54.5	51.5	52.2	54.1	56.0	55.1
Memphis	70.6	75.0	76.3	76.3	77.5	76.8	76.6	74.5
Miami/Hialeah	81.1	81.1	82.9	80.4	78.0	83.5	82.6	84.0
Milwaukee	69.9	70.5	74.5	70.8	72.6	75.3	75.6	73.1
Minneapolis/St Paul	77.9	80.5	85.2	80.6	84.4	84.3	86.0	87.2
Nashville/Davidson	70.8	75.5	77.6	77.2	77.6	78.3	78.1	76.5
New Orleans	n/a	n/a	73.1	74.1	73.0	73.2	74.8	70.9
New York/Northern New Jersey/Long Island	160.6	183.5	184.8	185.1	187.0	194.0	192.1	178.9
Oklahoma City	63.0	62.3	56.2	59.5	56.5	56.9	57.9	53.5
Omaha	58.8	59.0	59.5	57.5	58.3	58.7	60.3	59.9
Orlando	72.5	76.2	79.1	78.7	78.7	77.7	81.3	78.1
Philadelphia	82.4	97.0	102.4	92.6	97.7	101.9	106.5	104.1
Phoenix	78.4	80.9	80.0	80.4	79.0	79.1	82.3	79.6
Pittsburgh	n/.a	n/.a	63.2	n/a	60.9	62.2	66.3	62.8
Portland	62.6	64.2	64.4	66.3	62.9	64.9	64.8	64.8
Providence	87.6	121.4	130.6	127.6	123.3	130.4	131.9	133.0
Riverside/San Bernadino**	94.5	96.1	106.7	97.1	95.5	104.9	109.6	113.2
Rochester	68.3	72.5	75.7	72.8	73.2	73.7	78.3	76.3
St. Louis	70.9	74.3	78.1	73.3	74.1	79.5	81.1	75.7
Salt Lake City/Ogden	68.5	69.4	67.7	67.9	65.3	66.9	70.0	67.7
San Antonio	69.2	70.2	65.0	67.6	63.4	65.2	68.2	62.1
San Diego**	118.2	129.2	147.8	132.6	134.4	142.6	152.1	157.2
San Francisco Bay Area**	161.2	171.3	206.4	176.0	178.8	196.0	213.7	228.1
Seattle/Tacoma	n/a	82.6	88.7	84.2	88.2	93.6	89.8	91.9
Syracuse	64.3	68.9	74.6	70.0	68.1	74.9	75.4	75.9
Tampa/St.Petersburg/Clearwater	61.1	63.8	65.6	63.4	60.2	65.5	67.9	66.2
Toledo	56.0	56.3	58.4	54.7	56.5	59.7	59.9	56.4
Tulsa	65.5	65.7	65.0	63.1	63.5	65.0	65.5	65.3
Washington, DC	101.6	114.2	132.5	121.5	132.4	131.2	135.8	130.1
West Palm Beach/Boca Raton/Delray Beach	92.6	102.6	99.0	102.4	91.5	94.8	107.4	102.0

n/a Not Available   r Revised

* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas. **Provided by the California Association of REALTORS®.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED (Thousands of Units)

Year	Total	In structures with – –			Regions			
		1 unit	2 to 4 units	5 units or more	Northeast	Midwest	South	West
1983	1,703	1,068	114	522	168	218	935	382
1984	1,750	1,084	121	544	204	243	866	436
1985	1,742	1,072	93	576	252	240	782	468
1986	1,805	1,179	84	542	294	296	733	483
1987	1,621	1,146	66	409	269	298	634	420
1988[r]	1,488	1,080	59	349	235	274	574	404
				Seasonally Adjusted Annual Rates				
1988[r] Jan	1,391	1,021	53	317	330	223	460	378
Feb	1,511	1,095	58	356	300	256	594	361
Mar	1,528	1,169	57	302	284	261	574	409
Apr	1,576	1,087	58	431	260	344	595	377
May	1,392	1,001	53	338	202	267	562	361
Jun	1,463	1,088	62	313	238	262	585	378
Jul	1,478	1,067	50	361	255	283	566	374
Aug	1,459	1,076	59	324	217	239	573	430
Sep	1,463	1,039	62	362	206	258	576	423
Oct	1,532	1,136	63	333	198	273	582	479
Nov	1,567	1,138	68	361	219	275	613	460
Dec	1,568	1,123	66	379	195	345	598	430
1989 Jan[p]	1,693	1,203	71	419	296	332	616	449

r Revised p Preliminary
Souice: Census Bureau, U.S. Department of Commerce

NEW ONE-FAMILY HOUSES SOLD (Thousands of houses sold during period)

Year	United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983	623	76	71	323	152					
1984	639	94	76	309	160					
1985	688	112	82	323	170					
1986	750	136	90	321	190					
1987	671	117	97	271	186					
1988[r]	677	102	97	275	202					
		Seasonally Adjusted Annual Rates						Not Seasonally Adjusted		
1988[r] Jan	576	101	93	207	176	43	7	5	16	15
Feb	656	112	113	266	165	68	11	9	30	19
Mar	665	114	90	282	180	68	11	9	30	19
Apr	677	109	93	287	188	68	10	10	28	19
May	679	101	93	290	194	64	10	10	27	18
Jun	716	114	93	286	223	65	11	8	25	20
Jul	701	104	93	283	221	57	9	8	23	17
Aug	712	100	98	300	214	59	8	9	25	17
Sep	691	86	99	261	245	54	7	8	21	18
Oct	718	96	111	274	238	57	8	9	20	19
Nov	658	67	107	257	227	44	5	7	17	15
Dec	671	110	90	258	213	42	8	5	17	13
1989 Jan[p]	704	111	110	253	230	52	7	6	20	19

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF JANUARY
(Percentage Distribution)

Price Class	Jan 1985	Jan 1986	Jan 1987	Jan 1988ʳ	Jan 1989ᵖ
Under $60,000	19	16	9	6	11
$60,000 to $79,999	28	27	22	16	13
$80,000 to $99,999	21	21	20	19	15
$100,000 to $119,999	9	12	11	9	15
$120,000 to $149,999	10	9	14	18	17
$150,000 and over	13	15	23	31	29
Median Sales Price	$82,500	$86,600	$98,500	$119,000	$113,000

r Revised p Preliminary

Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
FOURTH QUARTER 1988p
(Percentage Distribution)

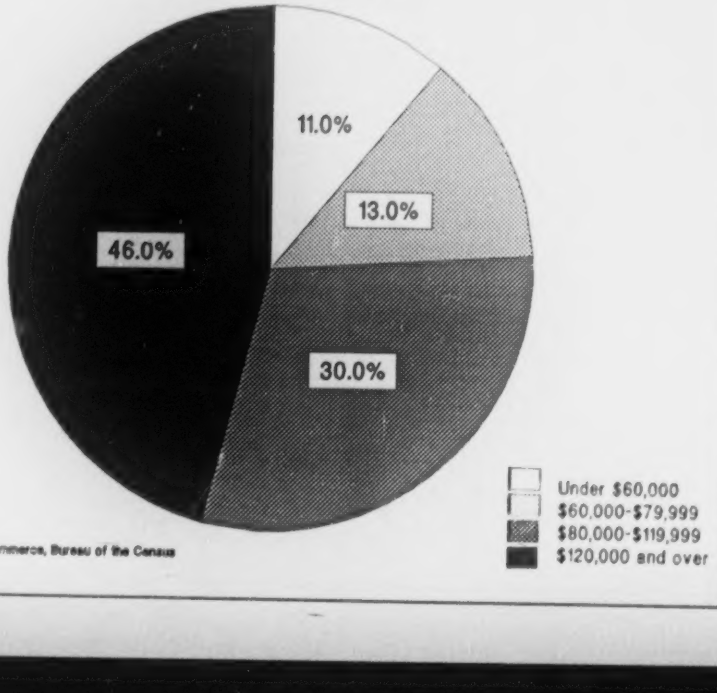
Price Class	United States	Northeast	Midwest	South	West
Under $60,000	7	*	10	11	4
$60,000 to $79,999	17	9	19	25	10
$80,000 to $119,999	30	24	38	31	29
$120,000 and over	46	67	33	33	57
Median Sales Price	$113,500	$157,900	$95,000	$91,500	$129,600

* Insufficient Sample Size

p Preliminary

Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
JANUARY 1989 p
(Percentage Distribution)



Source: U.S. Department of Commerce, Bureau of the Census
p Preliminary

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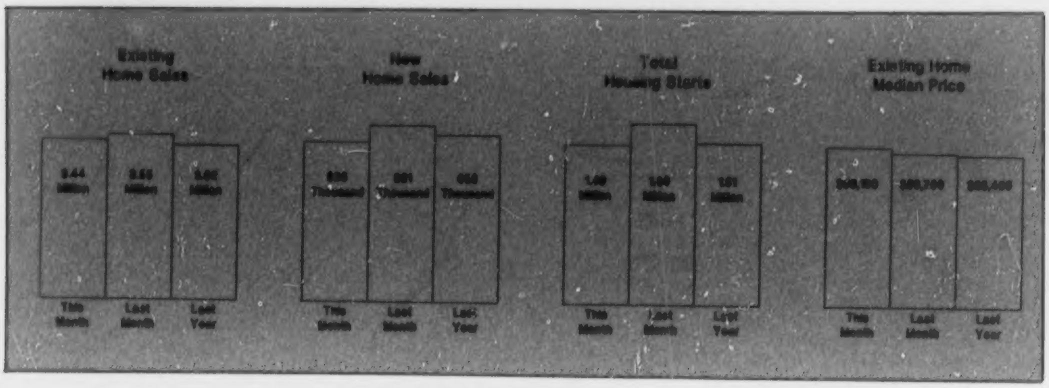
Vol. 3, No. 3 *March 1989*

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Higher mortgage interest rates pushed existing and new home sales volume lower in February. Existing home sales decreased 3.1 percent to a seasonally adjusted annual rate of 3,440,000 units while new home sales activity fell 9.4 percent to an annualized rate of 626,000 units.
- The inventory of unsold homes increased 6.3 percent to 2,944,000 units as the sales rate slowed. The months' supply of available homes rose to 9.0 months for existing homes and 7.5 months for new homes.
- The pace of new construction slowed as builders adjusted their plans to changing market conditions. Total new privately owned housing units started fell 11.4 percent to a seasonally adjusted annual rate of 1,498,000 units.
- Existing and new home sales prices reached new highs as increasing interest rates nudged marginal buyers out of lower priced housing. The median price of an existing single-family home rose $3,400 to a new high of $93,100 while the new home median price increased $10,100 to $123,100 also a new high.
- Rising home prices and increasing mortgage interest rates drove the Housing Affordability Index 5.1 points lower to 105.0. This is the lowest reading of the monthly index since August 1978 when it stood at 102.8.

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SURVEY DESCRIPTION

Publication 1 "Home Sales" is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage 2 Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 400 Boards of REALTORS® and multiple listing systems. In 1985 data on over 1,590,000 existing single-family homes were received and processed.

3 Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions 4 Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows:

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH
Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST
Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST
Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5 Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	14	South	35
Midwest	28	West	23

Sales Volume 6 Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7 Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8 Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium co-op statistics. A constant "blow-up" factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9 In the main, a transaction is reported when the sales contract is signed, but a number of Boards report "closings." To the extent "closings" are contained in this series, they introduce a "distributive lag" effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price 10 Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11 Movements in sales prices should not be interpreted as measuring changes in the cost of a *standard home*. Prices are influenced by changes in cost *and* changes in the characteristics and size of homes actually sold.

12 There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are *not seasonally adjusted*.

Seasonal Adjustment 13 Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14 Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15 Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium cooperative sales and state home sales are based on a quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

EQUAL HOUSING OPPORTUNITY

THE NATIONAL ASSOCIATION OF REALTORS® is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. The Association encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, or national origin.

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HIGHER STANDARDS

Analysts of housing markets, myself included, have discussed at length the move-up component of the market for newly constructed homes, but we have remained surprisingly silent on the issue of how this phenomenon affects the resale housing market. In fact, the response would have been that the size of the resale market relative to the new construction market, especially in terms of inventory, coupled with the fact that sizes of new homes have periodically declined, would minimize the impact.

However, this conclusion may have been premature. Market shares of homes with different numbers of bedrooms have changed over the last 20 years, producing slight skewing of the resale market price statistics.

Make no mistake about it, the three bedroom home was, is, and will continue to be the home of choice for most American homeowners. When we began collecting statistics in 1968, the three bedroom home accounted for 56.5 percent of the homes sold. While the relative share of the market claimed by the three bedroom home has declined marginally, statistics for 1988 indicate that 53.8 percent of the sales were for three-bedroom homes. This actually indicates an increase in the market share for these properties since 1983, when homes with three bedrooms accounted for just 53.3 percent of sales.

More striking have been changes in the share of market held by larger and smaller homes. In the late 1960s over 20 percent of the homes sold had no more than two bedrooms. That proportion has declined erratically, but fairly steadily until 1988 when only 17.5 percent of the single-family sales were of these smaller units. Practitioners have suggested that at least part of this decline may be due to the emergence of the condominium market which provides small unit alternatives to single-family homes. While that may explain some of the decline, the fact that townhouses are included in single-family homes, even if they are owned as condominiums, should reduce that impact.

The real presence of the move-up market, though, is seen in the proportion of homes sold which have at least four bedrooms. In 1968 these larger homes accounted for only 22.4 percent of the market. By 1985 their market share had jumped to 29.2 percent. Even though the statistics for 1988 indicate a slight decline, the 28.7 percent of the sales which were large homes last year is still well above the level experienced prior to the decade of the 80s.

Even if we explicitly take note of the fact that this move-up market exists, and that at least part of the increase in home prices over the last 20 years is not just appreciation, but represents an improvement in quality, what sort of adjustments should be made? Unfortunately, the approach utilized by the Census Bureau to compute a quality-adjusted measure of housing prices is not realistically available. When the government adjusts for quality a set of eleven characteristics is used, including size of house, number of stories, number of bathrooms, central air conditioning, parking, foundation, geography, metropolitan location, fireplaces, and lot size. Of these characteristics, our data contains only bedrooms as a proxy for size, geography (Census region), and metropolitan location. Quality adjustment would still be difficult, however, because of the lack of property-specific information.

Nevertheless, an interesting question has been raised, one which lead to additional research on the role of increasing home "quality" on prices in the resale market.

Glenn E. Crellin
Division Vice President

FEBRUARY HOUSING MARKETS

Rising interest rates nudged housing market activity down another notch in February as increasing numbers of potential homebuyers had to shelve their homebuying plans for a while.

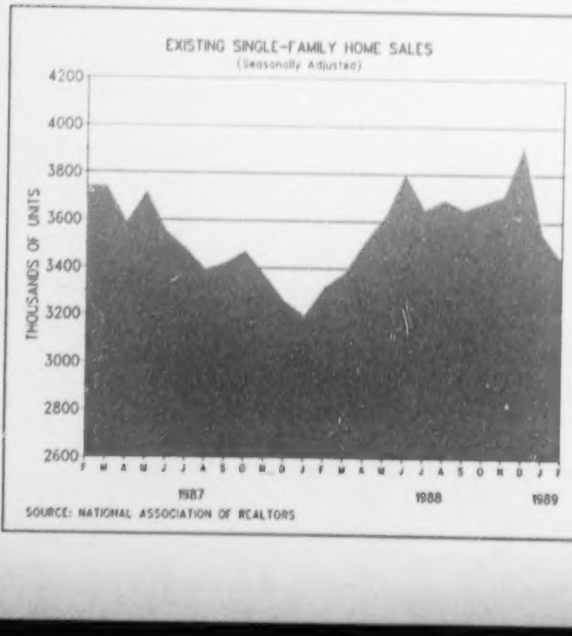
Both existing and new single-family home sales retreated from last months levels with existing home sales slipping 3.1 percent to a seasonally adjusted annual rate of 3,440,000 units and new home activity falling a steeper 9.4 percent to an annualized pace of 626,000 units.

While jobs and incomes remain at high levels, the Federal Reserve Board's efforts to cool the economy and slow inflation by raising interest rates has quickly fed through to the homebuying public, particularly the first-time buyers who have neither flexibility in their budgets nor equity in a currently owned residence for financial jockeying around.

Regional comparison of existing single-family home sales point to a mixed pattern. The brunt of the overall decrease was borne by the Northeast where sales volume fell 18.3 percent to an annual rate of 580,000 units, the slowest of the past twelve months. Activity in the Midwest and South slipped about one percent to rates of 920,000 units and 1,300,000 units, respectively. By contrast, the West posted a modest 3.2 percent gain to a pace of 650,000 transactions. When compared with performance of a year ago, the Northeast was the only region to report a decrease.

Inventory Available for Sale

The total number of houses on the market rose 6.3 percent to 2,944,000 units in February. Although the inventory of both types of housing increased, the existing home supply jumped 7.1 percent while the supply of new homes increased a much smaller 1.4 percent.



EXISTING SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS

The increase in the number of homes for sale raised the months' supply of available housing to 9.0 months for existing homes and 7.5 months for new houses.

Housing Construction

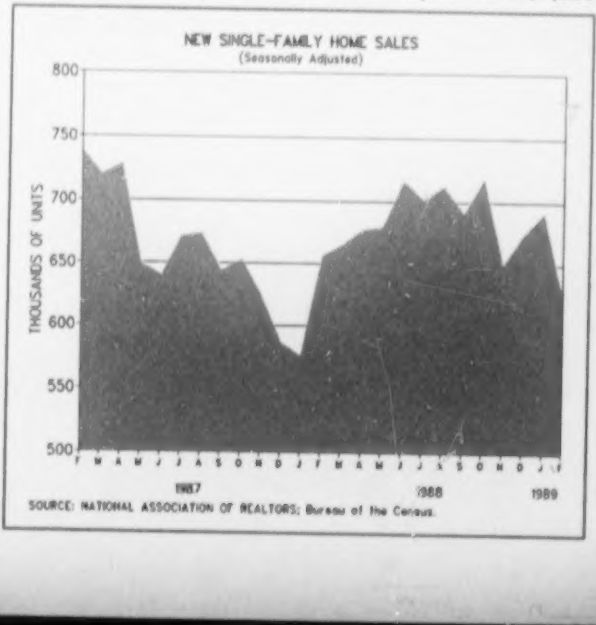
The rate of new home construction slacked off in February after January's weather related spurt in activity. Total new privately owned housing units started dropped 11.4 percent to a seasonally adjusted annual rate of 1,498,000 units, considerably below the January blip. All types of structures shared in the decrease with the number of one-unit buildings dropping 13.1 percent from the prior month and multi-family dwellings of 5 units or more slipping 7.4 percent to 390,000 units.

Given the long-established relationship between rising mortgage rates and declining new home sales and builders' understandable jitters about accumulating and carrying costs of unsold homes, starts will remain sluggish for several months.

Home Sales Prices

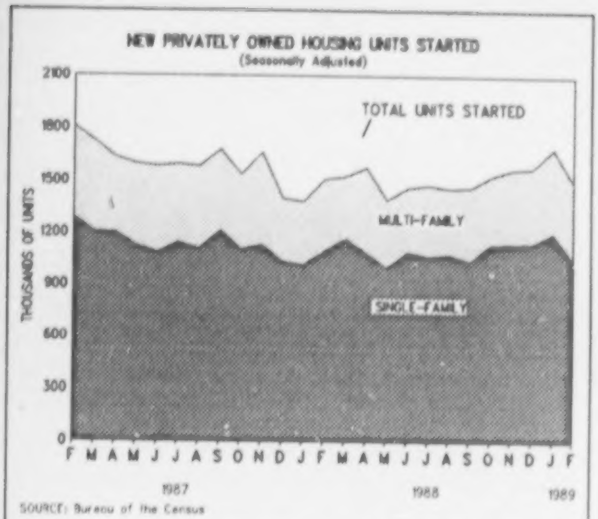
Home sales prices moved into new high ground as mortgage interest rates forced low priced homebuyers out of the market. The median price of an existing single-family home jumped $3,400 to a new high of $93,100, 4.8 percent above the same month a year ago. New home prices also hit a new high with a $10,100 spurt to $123,100, 11.0 percent above a year ago.

When viewed on a regional basis, home prices were generally strong with all but the Northeast at new monthly highs. Although the Northeast reported a $1,200



NEW SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS; Bureau of the Census.



SOURCE: Bureau of the Census

month-to-month decrease it was still up a modest 3.2 percent from a year ago. The other three regions posted month-to-month as well as year-to-year increases. The Midwest registered a $2,100 monthly increase to $69,900, up 3.9 percent from last year, and the South reported a $6,100 gain to $88,500, 4.6 percent ahead of a year ago. Prices in the West continued to increase more rapidly than elsewhere in the country with a $3,000 increase to $133,700, 12.4 percent above last February.

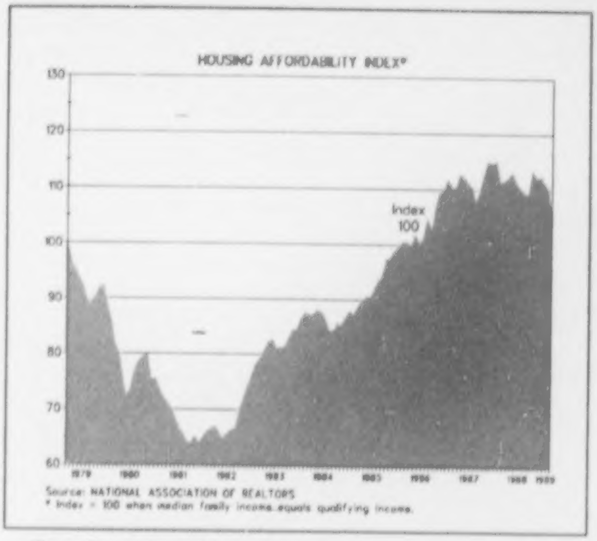
Resale Housing Affordability

The Housing Affordability Index took it on the chin in February. A $3,400 increase in the median price of an existing single-family home combined with a 16 basis point rise in the effective mortgage interest rate to drive the index down 5.1 points to 105.0. This is the lowest the index has been since August, 1986 when it stood at 101.7.

An index of 105.0 means that a family earning the median family income of $32,314 has 105.0 percent of the income necessary to marginally qualify for a conventional loan covering 80 percent of the median existing home price of $93,100 at prevailing mortgage interest rates.

The effect of the increases in the median priced home and mortgage interest rate translated into a sharp decline in the adjustable rate index and a further narrowing of the spread between the fixed-rate and adjustable-rate indexes. This spread has dropped from 20.5 in September, 1988 to 15.6 in February.

The recent interest rate increases do not bode well for the first-time homebuyer who has been fighting a constant battle against the escalating cost of housing. Given the Administration's stand on inflation there does not appear to be any immediate hope for narrowing the affordability gap.



Source: NATIONAL ASSOCIATION OF REALTORS
* Index = 100 when median family income equals qualifying income.

The First-time Homebuyers Housing Affordability Index stood at 78.3 in the fourth quarter of 1988. This means the typical renter family in their prime homebuying years had 78.3 percent of the income required to qualify for a mortgage on a typically priced starter home, assuming a downpayment of 10 percent. The affordability gap is the percentage difference between the broad affordability index and the first-time homebuyer affordability index. The gap in the fourth quarter of 1988 stood at 30.2, an overwhelming deficit for the aspiring typical first-time homebuyer to overcome.

Condominium/Cooperative Resales

For the nation as a whole, total fourth quarter apartment, condo and co-op sales slipped 20,000 units below the level of the previous quarter to a seasonally adjusted annual rate of 320,000 units, 5.9 percent below the same quarter of last year.

Regional comparisons point to mixed performances. When measured against the same quarter of a year ago the slowdown in the Northeast was verified by an 18.3 percent drop to an annualized rate of 138,000 units. The Midwest followed suit with an 8.8 percent decline to a 52,000 unit pace. By contrast, the pace in the South and West picked up from a year earlier with activity in the South jumping 13.6 percent to 92,000 units and the West posting and even stronger 15.2 percent gain to 38,000 transactions.

Apartment condo/co-op prices reached a plateau in 1988 with prices in the last three quarters all in the $83,000 range. The median price of a typical condo/co-op in the fourth quarter of 1988 was $83,500, 6.6 percent above the fourth quarter of 1987.

When viewed on a regional basis, prices in all areas were higher although the Northeast reported the smallest increase – up only 2.4 percent from the year earlier. The Midwest posted a moderate 5.5 percent increase to $61,900 with noticeably stronger performance in the

South and West where prices increased a significant 8.1 percent to $63,900 and 10.6 percent to $109,800, respectively.

Total Housing Sales

Total sales of single-family, apartment condos and co-ops ended the year on a strong note with fourth quarter activity at the year's highest quarterly rate of 4,090,000 units, the second highest rate since a year ago when the overall sales pace stood at 4,108,000 units.

Regional comparisions with a year ago show a 9.0 percent increase in the Northeast to 810,000 units, largely because of a sharp dip in that region's activity back then. Activity in the other three regions was about even with the level of a year ago. The Midwest and South were unchanged at 1,020,000 and 1,530,000 units repectively, while the West edged 1.2 percent upwards to an annualized rate of 730,000 transactions.

State Resale Market

Quarter-to-quarter state sales comparisons point to a moderate imbalance between states with 24 (including Washington, D.C.) reporting increases and 27 reporting decreases. The South made the strongest showing with 10 of 16 states reporting increases. Moreover, 6 of the 8 states posting resale activity gains of 10 percent or more were in the South. The remaining two state in this group were from the Midwest. It is also noteworthy that the slowdown in sales in the Northeast is reflected in similar comparisons that indicate 7 of the 10 Northeastern states reported decreases. Those states reporting increases of 10 percent or more were Georgia (13.6%), Louisiana (38.1%), Maryland (12.6%), Minnesota (29.1%), Mississippi (28.1%), South Dakota (11.0%), Tennesee (15.7%), and West Virginia (13.5%).

Metropolitan Home Prices

With 16 of the 60 metropolitan areas in our survey reporting lower prices than a year ago it is noteworthy that the Midwest and Northeast regions have essentially escaped this stigma (with the sole exception of the New York/Northern New Jersey/Long Island metropolitan area). The wave of home price increases that travelled down the East Coast from New England is apparently moving into the Midwest although it may not be of similar strength insofar as the full impact has yet to be played out. The bulk of the Midwest price increases are in the range of 0.1 percent to 9.9 percent where 14 out of 16 Midwestern metropolitan areas fall.

Halvor M. Juul
Director of Surveys

State Home Resales
(Change from 3rd Quarter 1988)

Down 10% or More

- Alaska
- Massachusetts
- New Jersey
- South Carolina
- Vermont
- Washington
- Wisconsin
- Wyoming

Down 0.1 - 9.9%

- Alabama
- Arkansas
- Colorado
- Delaware
- Florida
- Hawaii
- Idaho
- Iowa
- Kansas
- Kentucky
- Maine
- Missouri
- New Mexico
- New York
- North Carolina
- North Dakota
- Ohio
- Oregon
- Pennsylvania

Up 0.1 - 9.9%

- Arizona
- California
- Connecticut
- District of Columbia
- Illinois
- Indiana
- Michigan
- Montana
- Nebraska
- New Hampshire
- Nevada
- Oklahoma
- Rhode Island
- Texas
- Utah
- Virginia

Up 10% or More

- Georgia
- Louisiana
- Maryland
- Minnesota
- Mississippi
- South Dakota
- Tennessee
- West Virginia

Metropolitan Home Sales Price
(Changed from 4th Quarter 1987)

Down

- Albuquerque
- Baton Rouge
- Charleston,SC
- Dallas/Ft.Worth
- Denver
- Houston
- Memphis
- Nashville/Davidson
- New Orleans
- New York/Northern New Jersey/Long Island
- Oklahoma
- Orlando
- Phoenix
- Portland
- Salt Lake City/Ogden
- San Antonio

Up 0.1 - 4.9%

- Akron
- Birmingham
- Cleveland
- Cincinnati
- El Paso
- Ft.Lauderdale/Hollywood/Pompano Beach
- Hartford
- Jacksonville
- Kansas City
- Knoxville
- Miami/Hialeah
- Milwaukee
- Omaha
- Providence
- Rochester
- St. Louis
- Tampa/St.Petersburg/Clearwater
- Toledo
- Tulsa
- West Palm Beach/Boca Raton/Delray Beach

Up 5.0 - 9.9%

- Baltimore
- Chattanooga
- Columbus
- Des Moines
- Grand Rapids
- Indianapolis
- Lansing
- Las Vegas
- Louisville
- Minneapolis/St. Paul
- Seattle/Tacoma
- Syracuse
- Washington, D.C.

Up 10% or More

- Albany/Schenectady/Troy
- Buffalo/Niagara Falls
- Chicago
- Detroit
- Honolulu
- Los Angeles Area
- OrangeCounty/Anaheim/Santa Ana MSA
- Philadelphia
- Riverside/San Bernardino
- San Diego
- San Francisco

UNITED STATES SUMMARY

Year		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
		Existing	New	Existing	New	Existing	New	Existing	New
1983		2,719,000	623,000	1,980,000	304,000	*	*	$ 70,300	$ 75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,500
1988		3,594,000	677,000	2,160,000	367,000	*	*	89,300	112,500
1988	Feb	3,320,000	656,000	2,640,000	359,000	10.3	6.8	88,900	110,900
	Mar	3,380,000	665,000	2,690,000	372,000	9.6	6.8	88,900	108,900
	Apr	3,510,000	677,000	2,780,000	367,000	9.6	6.6	88,000	111,000
	May	3,620,000	679,000	2,850,000	370,000	9.4	6.7	89,600	110,000
	Jun	3,800,000	716,000	2,680,000	367,000	8.4	6.3	90,200	111,500
	Jul	3,650,000	701,000	2,520,000	365,000	8.3	6.4	90,700	118,000
	Aug	3,690,000	712,000	2,540,000	363,000	8.2	6.3	91,500	110,000
	Sep	3,650,000	691,000	2,430,000	361,000	7.9	6.5	88,500	116,600
	Oct	3,680,000	718,000	2,400,000	353,000	7.9	6.1	88,900	112,900
	Nov^r	3,710,000	650,000	2,600,000	364,000	8.5	6.9	88,500	110,400
	Dec^r	3,920,000	674,000	2,160,000	366,000	6.5	6.7	88,700	121,000
1989	Jan^r	3,550,000	691,000	2,400,000	369,000	8.1	6.5	$ 89,700	$113,000
	Feb^p	3,440,000	626,000	2,570,000	374,000	9.0	7.5	93,100	123,100

r Revised   p Preliminary   * not applicable
Source: New home sales data from Censu ureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
1988		3,594,000	673,000	929,000	1,350,000	642,000					
			Seasonally Adjusted Annual Rates					Not Seasonally Adjusted			
1988	Feb	3,320,000	660,000	880,000	1,230,000	540,000	220,000	39,000	66,000	81,000	34,000
	Mar	3,380,000	650,000	870,000	1,270,000	600,000	301,000	53,000	84,000	113,000	52,000
	Apr	3,510,000	660,000	910,000	1,320,000	620,000	316,000	57,000	90,000	118,000	51,000
	May	3,620,000	690,000	910,000	1,370,000	640,000	343,000	64,000	93,000	126,000	60,000
	Jun	3,800,000	720,000	1,000,000	1,410,000	680,000	379,000	73,000	102,000	133,000	71,000
	Jul	3,650,000	690,000	930,000	1,370,000	660,000	328,000	65,000	85,000	122,000	56,000
	Aug	3,690,000	680,000	930,000	1,400,000	670,000	368,000	73,000	94,000	134,000	66,000
	Sep	3,650,000	650,000	910,000	1,390,000	700,000	315,000	62,000	73,000	114,000	66,000
	Oct	3,680,000	640,000	940,000	1,410,000	690,000	304,000	59,000	73,000	114,000	59,000
	Nov	3,710,000	680,000	940,000	1,410,000	680,000	276,000	46,000	61,000	119,000	50,000
	Dec	3,920,000	700,000	1,010,000	1,500,000	700,000	258,000	44,000	62,000	105,000	48,000
1989	Jan^r	3,550,000	710,000	930,000	1,310,000	630,000	217,000	40,000	51,000	87,000	38,000
	Feb^p	3,440,000	580,000	920,000	1,300,000	650,000	220,000	33,000	66,000	82,000	40,000

Components may not agree with totals due to rounding.
r Revised   p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES
(Billions of Dollars)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		$ 225.9	$ 42.1	$44.6	$ 84.4	$ 53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
1988		405.4	104.6	73.4	136.0	93.3					
			Seasonally Adjusted Annual Rates					Not Seasonally Adjusted			
1988	Feb	$367.7	$ 99.7	$68.2	$126.6	$75.2	$24.4	$ 6.0	$5.1	$ 8.3	$ 4.7
	Mar	377.7	100.7	67.0	129.2	83.8	33.6	8.2	6.4	11.5	7.3
	Apr	385.0	102.7	70.5	128.8	85.4	34.7	8.9	6.9	11.6	7.0
	May	410.1	108.3	72.1	141.1	92.2	38.8	10.1	7.3	13.0	8.6
	Jun	439.0	114.2	80.9	145.8	100.4	43.7	11.6	8.3	13.8	10.4
	Jul	418.8	108.4	74.9	142.7	96.1	37.6	10.3	6.8	12.7	8.2
	Aug	425.8	110.2	75.4	143.7	99.4	42.4	11.8	7.6	13.7	9.8
	Sep	410.8	99.9	71.0	138.1	104.4	35.4	9.6	5.7	11.3	9.7
	Oct	413.0	100.1	74.1	137.0	102.5	34.2	9.1	5.8	11.0	8.8
	Nov	417.0	103.9	73.6	139.3	101.6	31.0	7.0	4.7	11.8	7.5
	Dec	438.6	106.4	79.6	147.5	104.7	29.9	5.5	4.9	10.2	7.1
1989	Jan^{r}	$401.6	$110.4	$73.2	$129.6	$ 94.1	$24.5	$ 6.2	$4.2	$ 8.6	$ 5.7
	Feb^{p}	415.3	92.3	74.0	149.1	99.6	26.6	5.2	5.3	9.5	6.1

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES
(Not Seasonally Adjusted)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
				Median					Average(Mean)		
1982		$67,800	$ 63,500	$55,100	$67,100	$ 98,900	$ 80,500	$ 75,400	$60,700	$ 78,700	$114,200
1983		70,300	72,200	56,600	69,200	94,900	83,100	85,400	62,900	81,500	111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1988		89,300	143,000	68,400	82,200	124,900	112,800	155,500	78,900	100,800	145,400
1988	Feb	$88,900	$138,200	$67,300	$84,600	$118,900	$110,900	$151,500	$77,200	$102,900	$138,400
	Mar	88,900	142,100	67,200	83,300	119,900	111,600	155,200	76,900	101,900	140,600
	Apr	88,000	141,000	67,600	81,000	117,700	109,600	154,600	77,300	97,900	137,700
	May	89,600	144,100	69,000	84,200	123,100	113,300	156,400	78,900	103,000	143,500
	Jun	90,200	147,300	70,000	83,900	127,000	115,400	158,800	81,100	103,600	147,700
	Jul	90,700	144,700	69,400	84,700	125,300	114,700	157,500	80,400	104,100	145,700
	Aug	91,500	148,400	69,800	83,400	126,900	115,400	161,200	81,000	102,400	147,900
	Sep	88,500	141,500	67,500	81,400	128,300	112,600	154,100	77,800	99,600	148,800
	Oct	88,900	144,400	68,000	80,500	130,000	112,300	155,700	79,100	97,100	149,100
	Nov	88,500	140,700	67,400	80,400	130,900	112,400	152,500	78,100	98,700	150,400
	Dec	88,700	143,000	67,700	78,200	128,700	112,000	152,500	79,000	97,800	149,100
1989	Jan^{r}	$89,700	$143,800	$67,800	$82,400	$130,700	$113,000	$155,400	$78,700	$ 98,900	$150,000
	Feb^{p}	93,100	142,600	69,900	88,500	133,700	119,400	154,100	80,400	115,000	152,400

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS (Percentage Distribution)

Price Class	Feb 1985	Feb 1986	Feb 1987	Feb 1988[r]	Feb 1989[p]
$ 19,999 or under	1.9	1.7	1.5	1.9	2.4
$ 20,000-$ 29,999	3.3	2.8	2.3	2.6	3.0
$ 30,000-$ 39,999	6.7	5.7	4.7	5.0	4.2
$ 40,000-$ 49,999	9.4	8.8	7.5	7.3	6.2
$ 50,000-$ 59,999	11.8	11.2	9.0	8.4	7.5
$ 60,000-$ 69,999	12.5	11.7	10.2	9.0	8.3
$ 70,000-$ 79,999	10.8	10.7	9.9	8.3	8.4
$ 80,000-$ 89,999	9.0	9.0	8.6	8.2	8.1
$ 90,000-$ 99,999	6.4	6.8	6.9	6.3	5.9
$100,000-$119,999	8.7	8.9	9.4	9.3	8.5
$120,000-$159,999	10.8	11.7	13.7	14.2	13.5
$160,000-$199,999	4.1	5.1	7.3	8.0	8.2
$200,000-$249,999	2.1	2.7	4.1	4.6	5.7
$250,000 and over	2.5	3.2	5.1	7.0	10.1
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$74,000	$77,400	$85,600	$88,900	$93,100

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS FEBRUARY 1989[p] (Percentage Distribution)

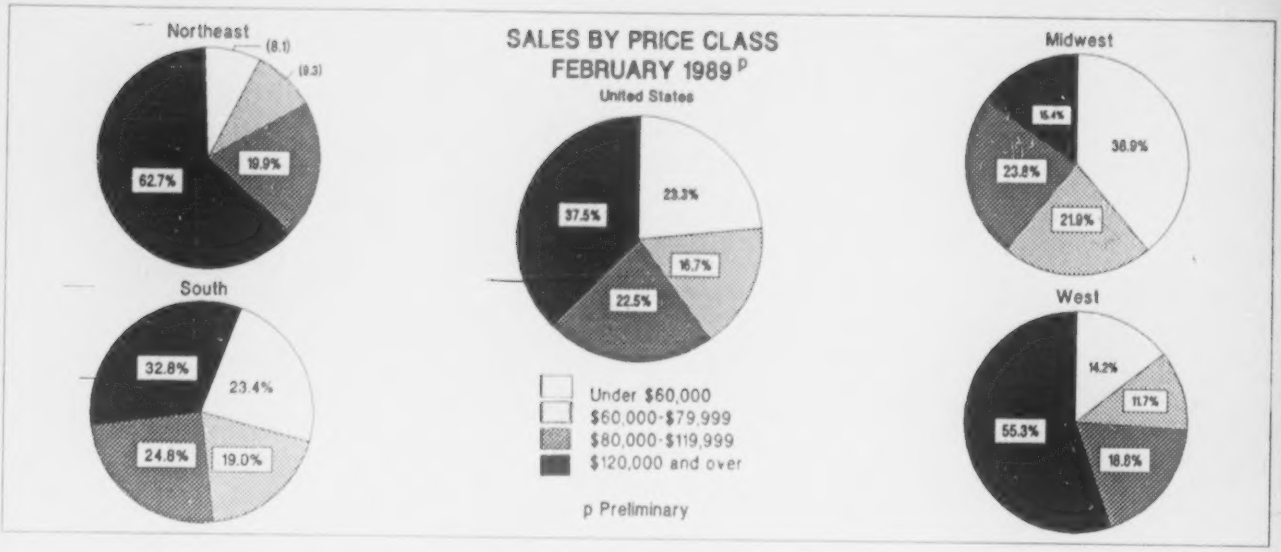
Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	17.1	13.7	20.2	13.3	22.9
3 Bedrooms	52.4	52.0	53.8	54.3	47.1
4 Bedrooms or more	30.4	34.3	26.0	32.4	30.0
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS FEBRUARY 1989[p] (Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	2.4	1.2	4.2	2.1	1.4
$ 20,000 - $ 29,999	3.0	1.0	5.0	2.4	2.9
$ 30,000 - $ 39,999	4.2	1.1	8.3	3.7	1.9
$ 40,000 - $ 49,999	6.2	1.7	10.4	6.6	3.4
$ 50,000 - $ 59,999	7.5	3.1	11.1	8.6	4.6
$ 60,000 - $ 69,999	8.3	4.4	11.2	9.3	5.6
$ 70,000 - $ 79,999	8.4	4.7	10.7	9.7	6.1
$ 80,000 - $ 89,999	8.1	5.7	9.9	9.0	6.3
$ 90,000 - $ 99,999	5.9	5.7	6.1	6.6	4.5
$100,000 - $119,999	8.5	8.5	7.8	9.2	8.0
$120,000 - $159,999	13.5	22.6	8.5	12.7	14.6
$160,000 - $199,999	8.2	16.7	3.3	6.1	11.6
$200,000 - $249,999	5.7	9.7	1.7	3.7	11.2
$250,000 and over	10.1	13.7	1.9	10.3	17.9
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$93,100	$142,600	$69,900	$88,500	$133,700

p Preliminary



SALES BY PRICE CLASS FEBRUARY 1989 p

HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes Composite	Fixed	ARM
1983	$70,300	12.85%	$616	30.1%	$24,580	$29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1988	89,300	9.31	591	22.1	32,100	28,360	113.2	103.3	121.6
1988									
Feb	$88,900	9.16%	$580	22.4%	$31,061	$27,862	111.5	101.5	118.1
Mar	88,900	9.14	579	22.3	31,165	27,812	112.1	103.9	120.3
Apr	88,000	9.21	577	22.1	31,269	27,702	112.9	104.6	123.1
May	89,600	9.22	588	22.5	31,373	28,231	111.1	102.6	120.2
Jun	90,200	9.28	595	22.7	31,476	28,570	110.2	100.7	119.4
Jul	90,700	9.32	601	22.8	31,580	28,830	109.5	99.0	118.6
Aug	91,500	9.32	606	22.9	31,684	29,084	108.9	98.1	117.4
Sep	88,500	9.30	585	22.1	31,788	28,081	113.2	101.0	121.5
Oct	88,900	9.41	593	22.3	31,892	28,481	112.0	100.6	120.5
Nov	88,500	9.48	594	22.3	31,996	28,526	112.2	102.8	119.4
Dec	88,700	9.59	601	22.5	32,100	28,864	111.2	103.0	119.3
1989									
Jan r	$89,700	9.61%	$609	22.7%	$32,207	$29,240	110.1	101.4	118.3
Feb p	93,100	9.77	641	23.8	32,314	30,768	105.0	96.4	112.0

* Effective rate on loans closed on existing homes—Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Affordability Index	Composite Affordability Index	Affordability GAP (Percent)
1983	$59,800	$5,980	$53,820	12.85%	13.10%	$600	$17,109	$28,799	59.4	83.2	-28.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987	72,700	7,280	65,520	9.28	9.53	552	20,916	26,513	78.9	113.8	-30.7
1988	75,900	7,590	68,310	9.31	9.56	577	21,898	27,714	79.0	113.2	-30.2
1987											
IV	$72,250	$7,225	$65,025	9.22%	9.47%	$545	$20,916	$26,176	79.9	115.2	-30.6
1988											
I	$75,300	$7,530	$67,770	9.18%	9.43%	$566	$21,162	$27,187	77.8	112.0	-30.5
II	75,900	7,590	68,310	9.24	9.49	574	21,408	27,547	77.7	111.7	-30.4
III	76,700	7,670	69,030	9.31	9.56	583	21,653	28,006	77.3	111.0	-30.3
IV	75,400	7,540	67,860	9.49	9.74	583	21,898	27,961	78.3	112.2	-30.2

* Effective rate on loans closed on existing homes—Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES
(Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1988		357,000	167,000	63,000	87,000	39,000
1987	IV	340,000	169,000	57,000	81,000	33,000
1988	I	344,000	165,000	57,000	85,000	38,000
	II	414,000	208,000	74,000	83,000	48,000
	III	340,000	154,000	66,000	87,000	33,000
	IV	320,000	138,000	52,000	92,000	38,000

TOTAL EXISTING HOME SALES SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS
(Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1988		3,951,000	840,000	992,000	1,437,000	681,000
1987	IV	4,108,000	743,000	1,019,000	1,525,000	721,000
1988	I	3,640,000	820,000	950,000	1,290,000	590,000
	II	4,060,000	900,000	1,010,000	1,450,000	690,000
	III	4,000,000	830,000	990,000	1,470,000	710,000
	IV	4,090,000	810,000	1,020,000	1,530,000	730,000

MEDIAN SALES PRICE OF APARTMENT CONDOS AND CO-OPS, QUARTERLY
(Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1988		83,100	110,600	60,600	64,500	108,900
1987	IV	$78,300	$108,800	$87,700	$59,100	$ 99,300
1988	I	$81,300	$110,100	$57,700	$65,400	$104,200
	II	83,600	110,300	60,600	65,400	107,500
	III	83,300	110,300	61,500	63,500	112,500
	IV	83,500	111,400	61,900	63,900	109,800

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
	1986	1987	1988 p	1987	1988			
				IV	I	II	III	IV^{p}
Alabama	60.8	59.7	55.1	59.2	52.4	50.4	55.1	51.8
Alaska	6.1	7.7	9.7	9.1	8.5	8.0	12.2	10.3
Arizona	73.8	67.3	64.8	65.9	53.4	60.0	71.8	74.5
Arkansas	52.8	48.2	48.9	44.0	39.0	51.2	47.9	46.2
California*	484.6	507.0	562.8	515.1	491.5	439.5	586.6	599.9
Colorado	47.5	46.7	49.5	41.8	38.6	52.3	53.1	49.9
Connecticut	52.0	52.5	59.9	50.8	53.6	61.9	60.1	60.5
Delaware	12.9	14.0	13.8	12.5	12.5	13.9	13.3	12.3
District of Columbia	11.6	10.5	11.3	9.3	11.3	10.2	10.6	11.2
Florida	169.4	184.2	190.8	206.1	168.9	171.1	195.2	182.0
Georgia	75.1	89.0	88.7	81.1	88.7	86.8	77.3	87.8
Hawaii	10.0	11.5	10.3	10.9	11.1	10.7	9.9	9.6
Idaho	11.3	10.9	11.2	11.3	10.9	11.1	11.7	10.6
Illinois	179.2	175.3	183.3	178.2	168.6	178.2	193.7	205.4
Indiana	86.1	89.8	84.2	75.2	83.5	96.1	78.3	80.4
Iowa	46.1	48.3	54.4	44.0	58.0	52.9	59.3	57.4
Kansas	54.4	54.4	49.8	47.9	53.6	48.5	51.9	49.0
Kentucky	58.6	64.1	71.1	78.3	66.0	68.6	70.5	65.4
Louisiana	34.0	40.4	36.1	37.8	33.7	26.8	32.3	44.6
Maine	30.8	35.2	34.4	33.4	30.0	36.9	35.1	31.8
Maryland	86.9	78.5	90.4	83.6	72.0	78.8	91.0	102.5
Massachusetts	84.6	100.5	88.5	100.4	96.0	96.6	85.9	74.5
Michigan	186.6	169.6	167.5	151.2	173.8	183.3	156.8	162.5
Minnesota	96.8	89.4	80.5	75.9	78.2	78.9	76.7	99.0
Mississippi	34.2	34.2	32.1	30.8	28.1	30.0	28.5	34.7
Missouri	88.4	88.4	81.7	83.3	94.5	77.2	81.3	78.2
Montana	11.9	11.6	12.0	12.6	9.7	12.2	12.4	12.8
Nebraska	25.5	23.3	22.1	20.3	26.2	21.3	21.3	22.7
Nevada	11.0	12.2	12.3	11.7	11.5	10.7	13.4	13.9
New Hampshire	20.3	19.2	15.5	22.5	16.8	12.8	16.1	16.6
New Jersey	159.6	157.3	139.3	130.0	148.8	160.5	129.1	102.2
New Mexico	19.5	20.0	18.7	17.1	16.5	21.0	18.5	17.7
New York	216.8	223.9	213.5	195.4	206.8	223.9	212.5	199.2
North Carolina	139.2	140.6	148.1	130.9	135.7	130.9	147.1	138.5
North Dakota	9.5	11.2	11.0	11.1	13.0	10.2	10.7	10.3
Ohio	179.9	180.9	176.3	174.1	185.7	187.7	174.1	164.4
Oklahoma	49.4	44.6	52.1	46.8	44.5	45.3	52.8	53.6
Oregon	45.0	48.5	51.8	51.8	48.0	54.5	54.5	52.6
Pennsylvania	258.3	259.5	279.0	275.7	259.9	261.5	296.4	288.4
Rhode Island	13.5	13.4	14.3	12.6	12.5	16.1	13.4	14.1
South Carolina	58.0	60.9	66.4	58.4	43.8	71.1	72.1	60.7
South Dakota	13.2	13.0	15.2	12.8	14.9	15.9	14.6	16.2
Tennessee	112.0	111.2	107.5	103.6	99.6	102.0	96.4	111.5
Texas	198.9	224.3	247.7	237.8	212.3	223.6	246.3	260.4
Utah	14.6	14.6	14.3	14.0	14.0	14.0	14.6	14.6
Vermont	12.4	12.9	12.9	13.5	17.2	12.4	13.1	10.8
Virginia	130.4	113.0	119.2	107.4	111.4	112.5	111.4	122.4
Washington	50.6	43.6	48.9	39.3	45.4	48.9	54.1	45.4
West Virginia	39.7	36.6	54.2	31.0	55.9	48.9	38.4	43.6
Wisconsin	76.9	73.3	75.4	71.4	65.2	76.1	84.6	76.1
Wyoming	6.1	6.0	5.8	6.1	5.1	6.5	5.9	5.3

* Provided by the California Association of REALTORS®.

p Preliminary

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

(Not Seasonally Adjusted in Thousands of Dollars)

	Years			Quarters				
Metropolitan Area	1986	1987	1988^{r}	1987	1988			
				IV	I	II	III	IV
Akron	$ 56.2	$ 57.1	$ 59.9	$ 58.1	$ 57.1	$ 60.1	62.6	58.4
Albany/Schenectady/Troy	72.7	86.4	92.2	90.3	87.0	91.1	92.3	100.1
Albuquerque	81.6	82.6	80.4	79.8	79.7	81.6	83.4	75.8
Orange County(Anaheim/Santa Ana MSA)**	147.7	167.3	211.4	174.9	183.8	204.0	226.2	231.2
Baltimore	74.0	81.1	88.7	84.3	83.6	87.3	92.3	89.6
Baton Rouge	70.9	67.8	64.7	65.5	65.7	64.5	64.1	64.8
Birmingham	68.3	71.6	75.7	73.9	73.1	76.5	77.3	74.9
Boston	159.2	177.2	181.2	177.5	176.9	182.9	183.8	179.3
Buffalo/Niagara Falls	52.4	56.7	65.6	59.2	64.1	64.8	66.6	67.5
Charleston	n/a	72.7	73.1	73.2	72.6	73.5	74.4	71.3
Chattanooga	55.3	59.0	63.5	60.3	61.2	63.2	64.2	64.9
Chicago	86.1	90.8	98.9	91.5	92.8	99.3	100.8	98.4
Cincinnati	n/a	66.1	69.7	69.1	66.7	69.6	71.8	70.2
Cleveland	66.9	68.1	69.2	67.6	66.5	69.9	69.8	69.3
Columbus	65.5	68.7	72.6	69.3	66.2	73.4	74.5	74.6
Dallas/Ft. Worth	92.8	89.2	84.8	85.8	85.9	85.5	84.7	83.2
Denver	86.4	88.9	81.8	86.5	83.7	83.4	81.1	79.7
Des Moines	55.9	55.6	55.8	52.1	54.5	58.2	55.0	54.8
Detroit	58.1	65.6	73.1	66.3	71.5	72.3	76.4	73.4
El Paso	59.0	59.2	59.6	58.6	57.8	60.5	62.0	58.8
Ft.Lauderdale/Hollywood/Pompano Beach	77.7	79.6	81.1	80.6	78.6	79.2	84.7	81.4
Grand Rapids	50.4	53.5	57.9	55.7	55.4	58.3	59.0	59.2
Hartford	129.0	157.4	167.6	163.9	166.4	169.0	168.8	165.0
Honolulu	172.0	186.0	215.1	193.3	198.4	198.7	226.0	225.0
Houston	69.9	65.9	61.8	62.8	60.2	63.5	65.5	56.8
Indianapolis	59.0	62.5	66.1	60.7	61.8	66.7	67.5	66.6
Jacksonville	62.8	65.1	67.7	65.2	68.9	67.4	67.2	67.9
Kansas City	65.4	69.8	70.5	68.5	70.9	71.9	69.9	69.3
Knoxville	60.3	65.4	67.0	65.6	66.3	65.5	69.1	66.9
Lansing	52.4	54.5	56.4	53.6	53.4	57.8	57.0	56.2
Las Vegas	77.5	77.0	78.8	76.7	75.7	77.9	80.7	80.2
Los Angeles Area**	128.8	147.7	180.1	153.4	159.9	175.9	190.9	191.2
Louisville	51.7	51.7	54.5	51.5	52.2	54.1	56.0	55.1
Memphis	70.6	75.0	76.3	76.3	77.5	76.8	76.6	74.5
Miami/Hialeah	81.1	81.1	82.9	80.4	78.0	83.5	82.6	84.0
Milwaukee	69.9	70.5	74.5	70.8	72.6	75.3	75.6	73.1
Minneapolis/St Paul	77.9	80.5	85.2	80.6	84.4	84.3	86.0	87.2
Nashville/Davidson	70.8	75.5	77.6	77.2	77.6	78.3	78.1	76.5
New Orleans	n/a	n/a	73.1	74.1	73.0	73.2	74.8	70.9
New York/Northern New Jersey/Long Island	160.6	183.5	184.0	185.1	187.0	194.0	192.1	179.8
Oklahoma City	63.0	62.3	56.2	59.5	56.5	56.9	57.9	53.5
Omaha	58.8	59.0	59.5	57.5	58.3	58.7	60.3	59.9
Orlando	72.5	76.2	79.1	78.7	78.7	77.7	81.3	78.1
Philadelphia	82.4	97.0	102.4	92.6	97.7	101.9	106.5	104.1
Phoenix	78.4	80.9	80.0	80.4	79.0	79.1	82.3	79.6
Pittsburgh	n/.a	n/.a	63.2	n/a	60.9	62.2	66.3	62.8
Portland	62.6	64.2	64.4	66.3	62.9	64.9	64.8	64.8
Providence	87.6	121.4	130.6	127.6	123.3	130.4	131.9	133.0
Riverside/San Bernadino**	94.5	96.1	106.7	97.1	95.5	104.9	109.6	113.2
Rochester	68.3	72.5	75.7	72.8	73.2	73.7	78.3	76.3
St. Louis	70.9	74.3	78.1	73.3	74.1	79.5	81.1	75.7
Salt Lake City/Ogden	68.5	69.4	67.7	67.9	65.3	66.9	70.0	67.7
San Antonio	69.2	70.2	65.0	67.6	63.4	65.2	68.2	62.1
San Diego**	118.2	129.2	147.8	132.6	134.4	142.6	152.1	157.2
San Francisco Bay Area**	161.2	171.3	206.4	176.0	178.8	196.0	213.7	228.1
Seattle/Tacoma	n/a	82.6	88.7	84.2	88.2	93.6	89.8	91.9
Syracuse	64.3	68.9	74.6	70.0	68.1	74.9	75.4	75.9
Tampa/St.Petersburg/Clearwater	61.1	63.8	65.6	63.4	60.2	65.5	67.9	66.2
Toledo	56.0	56.3	58.4	54.7	56.5	59.7	59.9	56.4
Tulsa	65.5	65.7	65.0	63.1	63.5	65.0	65.5	65.3
Washington, DC	101.6	114.2	132.5	121.5	132.4	131.2	135.8	130.1
West Palm Beach/Boca Raton/Delray Beach	92.6	102.6	99.0	102.4	91.5	94.8	107.4	102.0

n/a Not Available

* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas. **Provided by the California Association of REALTORS®.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED (Thousands of Units)

Year		Total	In structures with – – 1 unit	2 to 4 units	5 units or more	Regions Northeast	Midwest	South	West
1983		1 703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
1988		1,488	1,080	59	349	235	274	574	404
					Seasonally Adjusted Annual Rates				
1988	Feb	1,511	1,095	58	358	300	256	594	361
	Mar	1,528	1,169	57	302	284	261	574	409
	Apr	1,576	1,087	58	431	260	344	595	377
	May	1,392	1,001	53	338	202	267	562	361
	Jun	1,463	1,088	62	313	238	262	585	378
	Jul	1,478	1,067	50	361	255	283	566	374
	Aug	1,459	1,076	59	324	217	239	573	430
	Sep	1,463	1,039	62	362	206	258	576	423
	Oct	1,532	1,136	63	333	198	273	582	479
	Nov	1,567	1,138	68	361	219	275	613	460
	Dec[r]	1,577	1,141	65	371	201	343	609	424
1989	Jan[r]	1,690	1,202	67	421	296	321	635	438
	Feb[p]	1,498	1,045	63	390	229	277	592	400

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW ONE-FAMILY HOUSES SOLD (Thousands of houses sold during period)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987		671	117	97	271	186					
1988		677	102	97	275	202					
			Seasonally Adjusted Annual Rates						Not Seasonally Adjusted		
1988	Feb	656	112	113	266	165	68	11	9	30	19
	Mar	665	114	90	282	180	68	11	9	30	19
	Apr	677	109	93	287	188	68	10	10	28	19
	May	679	101	93	290	194	64	10	10	27	18
	Jun	716	114	93	286	223	65	11	8	25	20
	Jul	701	104	93	283	221	57	9	8	23	17
	Aug	712	100	98	300	214	59	8	9	25	17
	Sep	691	86	99	261	245	54	7	8	21	18
	Oct	718	96	111	274	238	57	8	9	20	19
	Nov[r]	650	65	104	254	227	43	5	7	17	15
	Dec[r]	674	112	93	263	206	42	8	5	17	13
1989	Jan[r]	691	126	102	250	213	51	9	6	20	17
	Feb[p]	626	101	101	214	210	50	7	8	18	18

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF FEBRUARY
(Percentage Distribution)

Price Class	Feb 1985	Feb 1986	Feb 1987	Feb 1988^r	Feb 1989^p
Under $60,000	20	13	10	7	8
$60,000 to $79,999	28	25	21	18	14
$80,000 to $99,999	22	21	23	17	14
$100,000 to $119,999	9	14	12	14	12
$120,000 to $149,999	10	11	11	15	18
$150,000 and over	11	16	23	30	35
Median Sales Price	$82,000	$89,700	$95,200	$110,900	$123,000

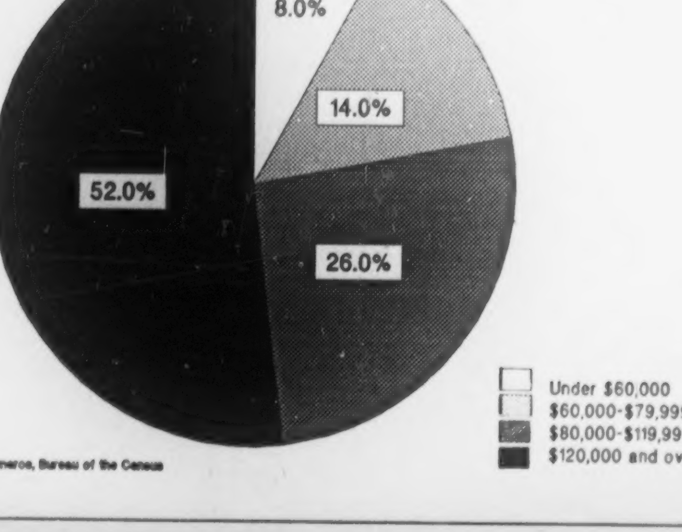
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
FOURTH QUARTER 1988p
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	7	*	10	11	4
$60,000 to $79,999	17	9	19	25	10
$80,000 to $119,999	30	24	38	31	29
$120,000 and over	46	67	33	33	57
Median Sales Price	$113,500	$157,900	$95,000	$91,500	$129,600

* Insufficient Sample Size
p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
FEBRUARY 1989 p
(Percentage Distribution)



Source: U.S. Department of Commerce, Bureau of the Census
p Preliminary

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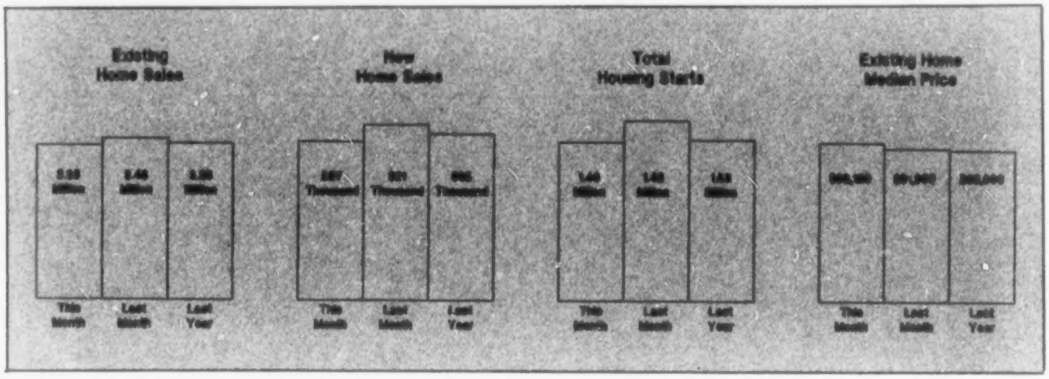
Vol. 3, No. 4 April 1989

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Existing and new single-family home sales volume fell to a 12-month low in March. Existing home sales activity decreased 4.3 percent to a seasonally adjusted annual rate of 3,330,000 units while new home sales dropped 5.5 percent to a seasonally adjusted annual rate of 587,000 units.
- The total number of homes on the market increased 2.2 percent to 2,886,000 units. Most of the increase consisted of existing single-family homes which currently totals 2,510,000 structures. The months' supply of existing homes now stands at 9.1 months and the inventory of new homes at 7.8 months.
- New home construction fell 5.4 percent to a seasonally adjusted annual rate of 1,397,000 units. Construction of one-unit structures dropped 3.9 percent to a 994,000 unit rate -- a new 12-month low.
- Home prices continued to move into new high ground. The median price of an existing single-family home climbed $2,200 to $93,100, 4.7 percent above a year ago. The new home median price jumped $5,700 to $126,000, 15.7 percent above a year ago.
- Rising home prices and increasing mortgage interest rates combined to push the Housing Affordability Index decisively lower. The index fell 2.6 points to a new 12-month low of 103.8.
- First-time homebuyers found no relief in the first quarter of 1989. Rising home prices and mortgage interest rates caused the First-time Homebuyer Affordability Index to plunge 3.4 points to 74.9 in the period.

REALTOR®
ECONOMICS AND RESEARCH DIVISION
NATIONAL ASSOCIATION OF REALTORS®
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SURVEY DESCRIPTION

Publication

1. Home Sales is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage

2. Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 450 Boards of REALTORS® and multiple listing systems across the country. In 1988, data on over 1,140,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions

4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows:

NORTHEAST

Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH

Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST

Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST

Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	.14	South	.35
Midwest	.28	West	.23

Sales Volume

6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant 'blow-up' factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report 'closings'. To the extent 'closings' are contained in this series, they introduce a 'distributive lag' effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price

10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a standard home. Prices are influenced by changes in cost and changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are not seasonally adjusted.

Seasonal Adjustment

13. Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading-day variation – the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium/cooperative sales and state home sales are based on quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

EQUAL HOUSING OPPORTUNITY

THE NATIONAL ASSOCIATION OF REALTORS® is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. The Association encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin.

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SNAPSHOT

When a family buys a home one of the first things they typically do is take pictures of their new home to help friends and relatives share their excitement leading up to the closing and eventual move. This month I want to examine some recently released government statistics from the 1985 American Housing Survey to prepare a snapshot of the housing market in the United States, the inventory from which home sales are drawn.

In 1985 there were just under 100 million housing units in the United States. Of these, 65.1 million were single-family homes (both detached and townhouse), 11.7 million were in structures with 2-4 units, 6.1 million were mobile homes, and the remaining 17.1 million units could be broadly characterized as apartments.

As expected, the vast majority of single-family detached homes are owner occupied. In fact, of the just over 55 million single-family free standing homes 84.8 percent are owned by the occupants. Only mobile homes approach this ownership percentage. Townhouses, identified in the statistics as single-family attached, are 53.9 percent owner occupied. Other types of housing are at least 80 percent renter occupied, but the 13.6 percent of units in buildings with 50 or more apartments which are owner occupied are an indication of the growth of the condominium market in the last 15 years.

The American Housing Survey estimated 4.2 million condominium and cooperative units in 1985, and despite the importance of condominiums as starter and retirement homes for owner occupants, their role in the investment real estate market cannot be overlooked. Roughly one-third of occupied condo/co-op units were renter occupied at the time of the survey. Since this was the first time condominium status has been asked of renters, there is no way to judge the growth of investment ownership of condos over the last few years, but the implication is clear that this role has grown.

Our housing inventory is fairly young. Over half our housing has been constructed since 1962, and one-quarter has been built since 1974. Importantly, however, the units which are sold each year are typically newer than the overall housing stock. In fact, half of the units where the current occupants moved in during the 12 months preceding the survey were built since 1971 and a quarter were built since 1977. However, older properties are also an important part of the inventory. Over 11 million homes still in use were constructed prior to 1920.

When you think of housing, do you think of a suburban home? That's understandable. Three quarters of America's homes are in metropolitan areas, and a majority of these are in the suburbs. Considering that the suburban phenomenon began after World War II, its growth and role in the housing market is astounding. Recent movers tend to choose suburbs in much the same proportions today, indicating that the traffic problems, urban homesteading and moves to the country have not materially affected the role of the suburban home.

Finally, a snapshot of the units themselves. The typical housing unit in the nation has 5.2 rooms, 2.5 of which are bedrooms. The median size is 1,583 square feet and the unit is on a lot of .36 acres. As expected, owner occupied housing is somewhat larger, with medians of 6.0 rooms, 2.9 of which are bedrooms, with a typical total size of 1,712 square feet on a lot of .37 acres. In particular, the statistics on lot sizes must be interpreted cautiously, since approximately 15 percent of the owners did not know the size of their lots.

It's hard for me to present these findings, now four years old, as our best knowledge about the housing market, but in point of fact the size of the housing inventory means that these summary characteristics cannot change quickly. For example, housing starts of two million units represent only two percent of the total housing inventory, and even though builders are emphasizing larger, more expensive and amenity filled homes right now to satisfy the tastes and demands of a move-up market, that construction will not materially affect the character of the total inventory of the housing market in the United States until it has prevailed for several years.

Glenn E. Crellin
Division Vice President

MARCH HOUSING MARKETS

Climbing interest rates continued to squeeze potential homebuyers out of the housing market in March as an inflation conscious Fed tried to tighten the reins on the economy without bringing on the hardships of a general recession.

Existing and new single-family home sales activity fell to their lowest levels of the past 12 months. In fact, the resale market posted its third straight monthly decline, slipping to a seasonally adjusted annual rate of 3,330,000 units, 4.3 percent below February and a modest 1.5 percent below the year ago pace. New home sales fell more sharply by dropping 5.5 percent to an annualized rate of 587,000 units and a steep 11.7 percent below the level of last March.

When viewed on a regional basis, existing home sales moved lower in three of the four regions with the Northeast down the most at a seasonally adjusted annual rate of 540,000 units, 10.0 percent below last month. The Midwest also posted a relatively sharp drop sliding 7.6 percent to an 850,000 unit pace while the South reported a modest 3.1 percent decrease to an annual rate of 1,270,000 units. By contrast, the West was much stronger than its counterparts, registering a 4.7 percent month-to-month increase to a seasonally adjusted annual rate of 670,000 units.

Regional comparisons of new home sales point to a sharp rebound in activity in the Northeast contrasted with declines in the other three regions. After dropping sharply in February, sales in the Northeast jumped 43.3 percent to a seasonally adjusted rate of 129,000 units -- an unusually wide swing for even this volatile statistic. Activity in the other three regions was irregularly lower with the West posting a substantial 20.5 percent drop to 155,000 units. The South and Midwest reported decreases of 12.7 percent to 199,000 units and 2.8 percent to 105,000 units, respectively.

Inventory Available For Sale

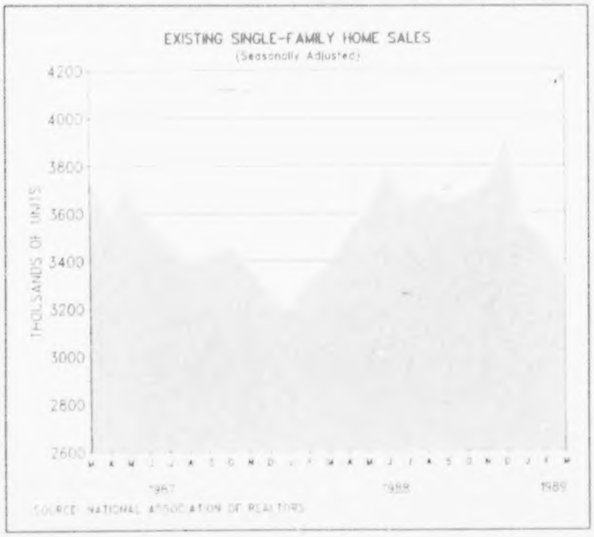
The total number of homes available for sale rose 2.2 percent to 2,886,000 units in March. The bulk of the increase is attributable to a rather modest 2.4 percent increase in the number of existing homes for sale. The inventory of new homes for sale rose marginally to 376,000 units.

The month's supply of existing and new homes on the market also increased during March with the supply of existing homes now at 9.1 months and the stock of new homes at 7.8 months -- the highest this statistic has been in the past 12 months.

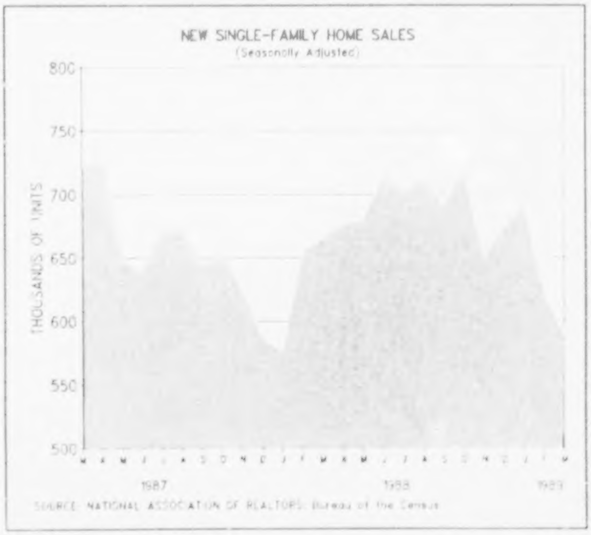
Housing Construction

Rising interest rates pushed new privately owned housing starts another notch lower in March with single and multi-family units sharing the decline. Total new construction decreased 5.4 percent to 1,397,000 units, the lowest number of starts since May when activity took an unusual drop and rebounded immediately the following month.

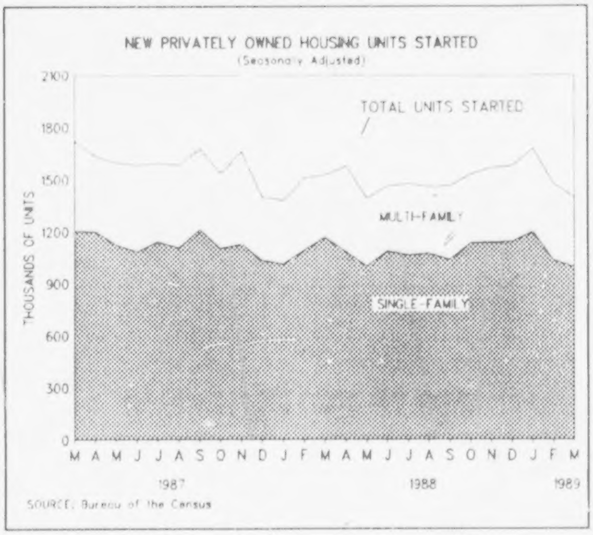
New construction of one-unit structures in March slid 3.9 percent to 994,000 units, a new 12-month low as builders continue to adjust their production to the expected impact of rising interest rates. Construction of buildings with five units or more fell 8.0 percent to an annualized rate of 355,000 units, close to the mid point of the range for the past twelve months.


EXISTING SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS

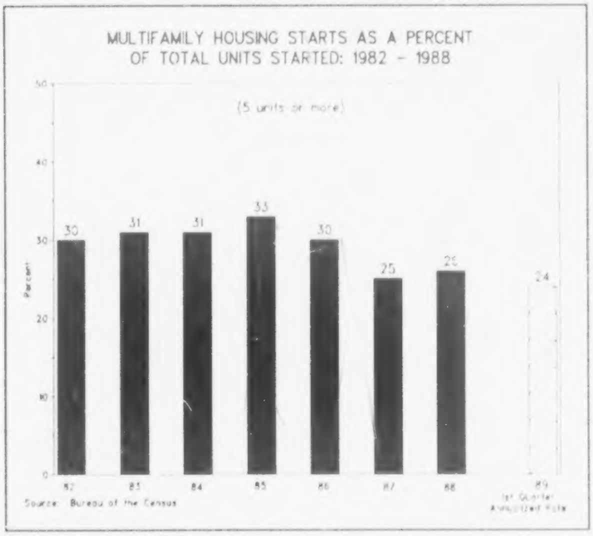

NEW SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS; Bureau of the Census


NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Seasonally Adjusted)

SOURCE: Bureau of the Census

Activity varied considerably across the regions. The sharpest change was in the already sluggish Northeast were starts dropped 34.1 percent to a twelve month low of 149,000 units. This decrease accounted for virtually all of the drop in the overall statistics. Activity in the South slipped a moderate 4.7 percent to 546,000 units while the West was marginally lower at 395,000. By contrast, the Midwest posted a 10.4 percent gain to 307,000 units.

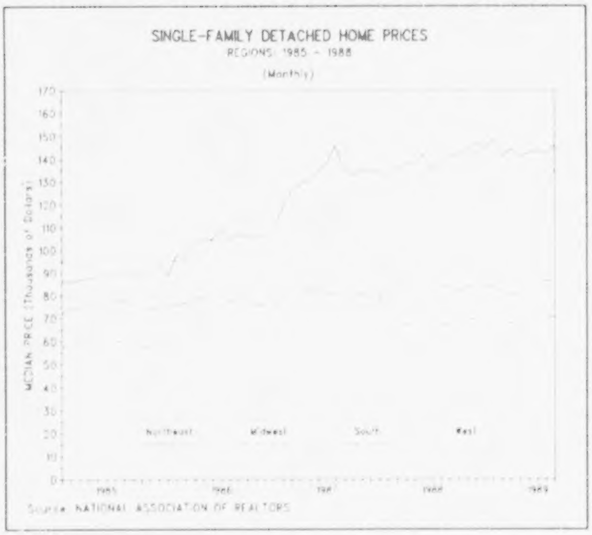

MULTIFAMILY HOUSING STARTS AS A PERCENT OF TOTAL UNITS STARTED: 1982 - 1988

Source: Bureau of the Census

Home Sales Prices

Home sales prices resumed their upward trek after reporting seasonal declines in the latter part of 1988. Existing single-family home prices in March reached an all-time high of $93,100, 4.7 percent above the same month of a year ago.

From a regional standpoint, prices were above the year-ago level in all four regions. The West was particularly strong, posting an $8,000 month-to-month increase to $135,800, 13.3 percent above the same month of last year. The median price in the Northeast increased $3,500 to $146,100, 2.8 percent above a year ago, while the Midwest reported a $1,000 increase to $70,900, for a 5.5 percent gain during the year. Although the South registered a $1,000 decrease from February it still managed a year-to-year gain of 2.9 percent.


SINGLE-FAMILY DETACHED HOME PRICES
REGIONS: 1985 - 1988
(Monthly)

Source: NATIONAL ASSOCIATION OF REALTORS

New home prices clearly outperformed prices of existing homes during March. The median price of a new home jumped $5,700 to a new high of $126,000, 15.7 percent above last year.

The price gap between single-family existing and new homes is the widest it has been in the past 18 years. Between 1970 and 1986 the median price of a new home has varied between 1.6 and 14.6 percent above that of an existing home. This gap has widened significantly beyond that since 1986 to where it reached 26.0 percent in 1988. This trend appears to have carried into 1989 with the difference standing at 31.0 percent in the first quarter of this year. This growing price spread in part reflects the strong impact of the move-up buyers seeking amenities provided by more expensive upscale new homes.

INCREASING GAP
BETWEEN NEW AND EXISTING SINGLE-FAMILY HOME PRICES

SOURCE: NATIONAL ASSOCIATION OF REALTORS

GAP BETWEEN NEW AND EXISTING SINGLE-FAMILY HOME PRICES, 1970 - 1989

YEAR	New Homes	Existing Homes	Price Gap	YEAR	New Homes	Existing Homes	Price Gap
1970	$23,400	$23,000	1.7%	1980	$64,600	$62,200	3.9%
1971	25,200	24,800	1.6	1981	68,900	66,400	3.8
1972	27,600	26,700	3.4	1982	69,300	67,800	2.2
1973	32,500	28,900	12.5	1983	75,300	70,300	7.1
1974	35,900	32,000	12.2	1984	79,900	72,400	10.4
1975	39,300	35,300	11.3	1985	84,300	75,500	11.7
1976	44,200	38,100	16.0	1986	92,000	80,300	14.6
1977	48,400	42,900	12.8	1987	104,500	85,600	22.1
1978	55,700	48,700	14.4	1988	112,500	89,300	26.0
1979	62,900	55,700	12.9	1989*	120,400	91,600	31.4

* First quarter only

Resale Housing Affordability

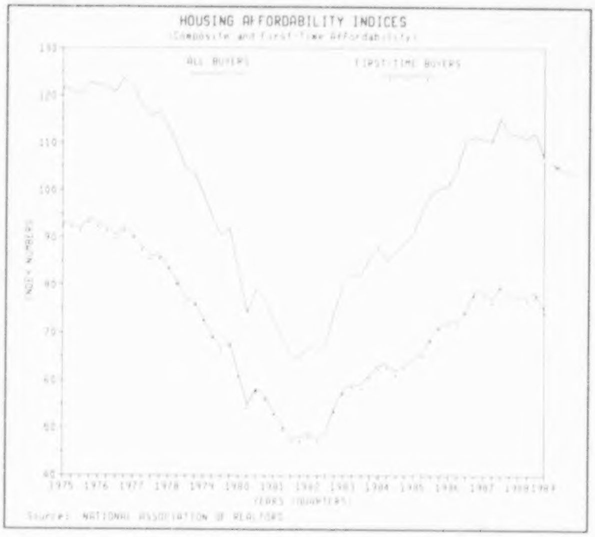
The combination of rising home prices and steadily increasing interest rates have kept the Housing Affordability Index in a downward track for four consecutive months. During this period, the index has dropped from 112.2 to 103.8 with qualifying income being pushed up by $2,720. As a result, it has become more and more difficult for would-be home buyers to find a home to fit their budget.

An index of 103.8 means that a family earning the median family income of $32,421 has 103.8 percent of the income necessary to marginally qualify for a conventional loan covering 80 percent of the median price existing home ($93,100) at prevailing mortgage rates.

The plight of the first-time homebuyer has also become dramatically worse. In the first quarter of 1989 the First-time Homebuyer Housing Affordability Index plummeted to 74.9 from 78.3 in the final quarter of 1988. This too was primarily due to an increase in the median price of a typical starter home coupled with increasing mortgage interest rates which has resulted in a 5.7 percent -- or $1,587 -- increase in the qualifying income requirement.

A First-time Homebuyer Housing Affordability Index of 74.9 means that the typical renter family in their prime homebuying years (ages 25-44) had 74.9 percent of the income required to qualify for a mortgage on a typically priced starter home, assuming a down payment of just 10 percent.

In the first quarter, the downward movement of both the First-time Homebuyer Housing Affordability Index and the overall Housing Affordability Index have worked to close the housing affordability gap (the percentage difference between the indexes) somewhat. The gap narrowed by a modest three tenths of a percentage point when the First-time Buyer Index moved from 30.2 percent below the composite index to 29.9 percent below.



A new feature starting in this issue of *Home Sales* is the broadening of our affordability information menu to include housing affordability indexes for 21 selected metropolitan areas. Two new tables -- containing (1) the major components of metropolitan area housing affordability and (2) the recent quarterly and annual history -- appear on page 13 of this report.

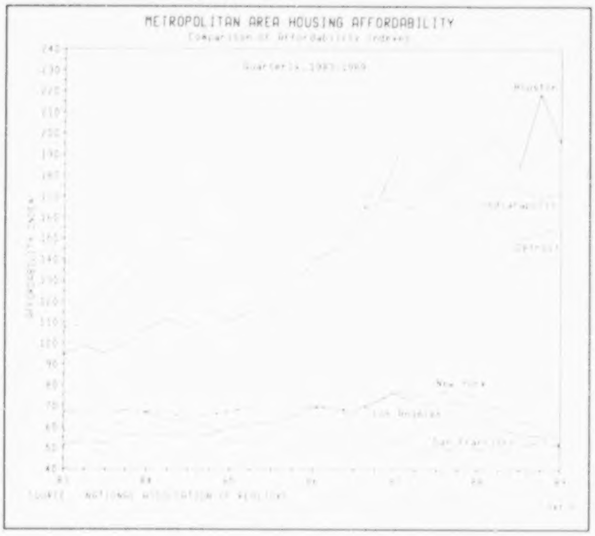
This table provides readers with a quick reference to the affordability of housing in the 21 areas on the list. A further benefit is in now having a standard measurement of affordability by which metropolitan areas can be compared with a national statistic as well as other areas across the country.

For example, in searching for two major cities with relatively high affordability (inexpensive when compared to income) in the first quarter of 1989, a glance at the table shows that Indianapolis, Indiana with an index of 174.1 and Houston, Texas at 194.5 are considerably less expensive than all other cities in our survey and well above the national index quarterly average of 106.8. By contrast, two areas with low affordability in the first quarter are New York and Los Angeles at 51.2 and 52.0, respectively.

Condominium/Cooperative Resales

Apartment condo/co-op sales were strong in the first quarter. Total apartment condo and co-op sales volume jumped 15.9 percent from the previous quarter to a seasonally adjusted annual rate of 371,000 units, up 7.8 percent from the first quarter of 1988.

Year-to-year comparisons point to hefty volume increases in three of the four regions. The pace of activity was up the most in the South where the level of resales



reached 113,000 units, up 32.9 percent from a year ago. The Midwest posted the next highest gain, climbing 22.8 percent to a 70,000 unit rate. The West followed with a respectable 18.4 percent increase to 45,000 units. Sales in the Northeast fell 13.3 percent behind last year's pace to an annual rate of 143,000 transactions.

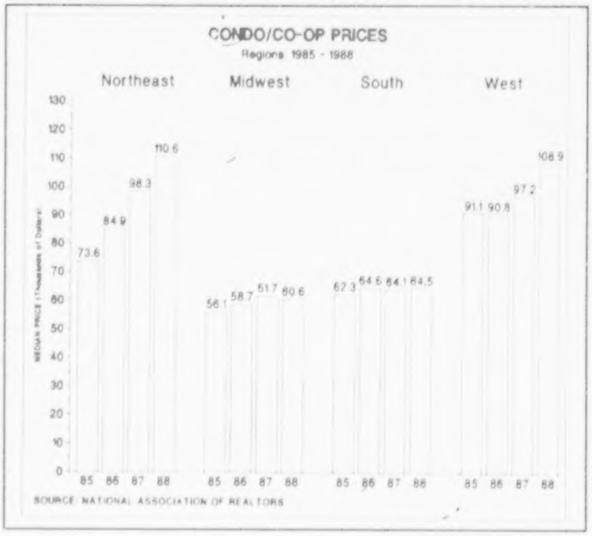
Nationwide condo and co-operative prices continue to be relatively stable, as they were during the past year. In the first quarter of 1989 the median price of apartment condos and co-ops slipped $1,400 to $82,100, barely one percent above the first quarter of 1988. This decline in the nationwide median price was primarily due to weaker prices in the Northeast.

Regional comparisons show that prices were up on a year-to-year basis in all regions but the Northeast and, in fact, reached new highs in the Midwest and South. The median price increased most in the Midwest where it climbed 11.6 percent to its high of $64,400. Prices rose less than 2.0 percent in the South and West where they stood at $66,500 and $106,200, respectively.

Total Home Resales

Overall, total existing single-family home sales including condos and co-ops decreased from the previous quarter but were still above the level of a year ago. Total resale volume fell 6.6 percent in the first quarter to a seasonally adjusted annual rate of 3,820,000 units. Despite this sizeable decline, volume was still 4.9 percent above the sluggish first quarter of 1988.

Regional year-to-year comparisons show that the housing market is still cooling down in the Northeast where volume fell 7.3 percent to an annualized rate of 760,000 units. The overall decrease in that region was worsened by a 13.3 percent drop in condo/co-op sales.



SOURCE: NATIONAL ASSOCIATION OF REALTORS

It should be noted that the role of condo/co-op activity varies from region to region and the Northeast statistic is more sensitive to condo/co-op sales than the others. Activity in the other regions reflects increasing condo/co-op sales to a lesser degree. The condo/co-op share of total sales activity in the first quarter is as follows: Northeast, 18.8 percent; Midwest, 7.2 percent; South, 8.0 percent; West, 6.5 percent.

Total home sales in the West looked particularly strong with a year-to-year jump of 16.9 percent to a seasonally adjusted annual rate of 690,000 units. The South followed the West with a volume increase of 9.3 percent to a 1,410,000 unit pace. Activity in the Midwest rose a more modest 2.1 percent to an annualized rate of 970,000 units.

State Resale Market

A large majority of states reported year-to-year increases in total existing home sales during the first quarter of 1989. Among the 50 states and the District of Columbia, 33 reported increases in sales volume in the first quarter of this year with 21 posting gains of ten percent or more. By contrast, of 18 states reporting decreases, only 5 (Alaska, Massachusetts, Minnesota, New Jersey and Utah) were down more than 10 percent from a year ago.

Regional comparisons illustrate this strength. For example, the West was particularly strong with 11 of that region's 13 states reporting increases and none with decreases exceeding 10 percent. Similarly, 8 of the twelve Midwestern states posted increases while 10 of the Southern region's 16 states registered increases. The Northeast region was an exception to the general pattern with only 4 of its 10 states reporting an increase in sales activity.

Metropolitan Home Sales Prices

Home sales prices continued to escalate in the first quarter of 1989. For the first quarter, price appreciation can be reported for 81 metropolitan areas. Of these, 63 reported increases in the median price of homes sold in their area. Forty-four percent of these areas reported increases of 5.0 percent or more while 22.2 percent posted gains of 10.0 percent or more.

While most of the metropolitan areas in our survey reported year-to-year price increases, regional comparisons point to some noteworthy differences. For example, the Midwest and the West were the strongest performers with about 9 out of 10 of their metropolitan areas reporting increases. There were somewhat fewer gains in the Northeast and Midwest where about 7 of every 10 metro areas reported increases.

Beginning with this issue of the *Home Sales* report our coverage of metropolitan area home sales prices will be expanded to include an additional 21 metropolitan areas. These areas are:

Atlanta, GA
Charlotte, NC
Columbia, SC
Corpus Christi, TX
Dallas, TX
Daytona Beach, FL
Dayton/Springfield, OH
Fort Worth, TX
Greenville/Spartanburg, SC
Lexington/Fayette, KY
Little Rock/No. Little Rock, AR
Madison, WI
Mobile, AL
Montgomery, AL
New Haven/Meridan, CT
Peoria, IL
Raleigh/Durham, NC
Spokane, MA
Springfield, MA
Wichita, KS
Worcester, MA

Halvor M. Juul
Director of Surveys

State Home Resales
(Change from 1st Quarter 1988)

Down 10% or More

Alaska
Massachusetts
Minnesota
New Jersey
Utah

Down 0.1 - 9.9%

Alabama
Delaware
District of Columbia
Georgia
Iowa
Kansas
Kentucky
Maine
Missouri
New York
North Carolina
Pennsylvania
Virginia

Up 0.1 - 9.9%

Connecticut
Hawaii
Indiana
Louisiana
Mississippi
Nebraska
Nevada
New Hampshire
South Carolina
Texas
Vermont
West Virginia

Up 10% or More

Arizona
Arkansas
California
Colorado
Florida
Idaho
Illinois
Maryland
Michigan
Montana
New Mexico
North Dakota
Ohio
Oklahoma
Oregon
Rhode Island
South Dalota
Tennessee
Washington
Wisconsin
Wyoming

Metropolitan Home Sales Price
(Change from 1st Quarter 1988)

Down

Akron
Baton Rouge
Charleston,SC
Denver
El Paso
Ft.Worth/Arlington
Greenville/Spartanburg
Hartford
Jacksonville
Memphis.
NewHaven/Meridan
New Orleans
New York/No. New Jersey/Long Island
Oklahoma
Phoenix
San Antonio
Tulsa
Worcester

Up 0.1 - 4.9%

Albuquerque
Boston
Cleveland
Corpus Christi
Dallas
Daytona Beach
Dayton/Springfield
Detroit
Ft. Lauderdale/Hollywood/PompanoBeach
Houston
Kansas City
Little Rock/No. Little Rock
Milwaukee
Minneapolis/St. Paul
Mobile
Nashville
Omaha
Orlando
Peoria
Philadelphia
Pittsburgh
Providence
Salt Lake City/Ogden
Spokane
Toledo
Wichita
W. Palm Beach

Up 5.0 - 9.9%

Birmingham
Buffalo/NiagaraFalls
Chattanooga
Chicago
Cincinnati
Columbia, SC
Des Moines
Grand Rapids
Knoxville
Lansing
Las Vegas
Lexington/Fayette
Louisville
Miami/Hialeah
Montgomery
Portland
St. Louis
Washington, D.C.

Up 10% or More

Albany/Schenectady/Troy
Baltimore
Columbus, OH
Indianapolis
Honolulu
Los Angeles Area*
Madison
Orange County (Anaheim/Santa Ana)*
Raleigh/Durham
Riverside/SanBernardino*
Rochester
Sacramento*
San Diego*
San Francisco*
Seattle/Tacoma
Springfield, MA
Syracuse
Tampa/St.Petersburg/Clearwater

* Provided by the California Association of REALTORS®

UNITED STATES SUMMARY

Year		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
		Existing	New	Existing	New	Existing	New	Existing	New
1983		2,719,000	623,000	1,980,000	304,000	*	*	$ 70,300	$ 75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,500
1988		3,594,000	677,000	2,160,000	367,000	*	*	89,300	112,500
1988	Mar	3,380,000	665,000	2,690,000	372,000	9.6	6.8	$88,900	$ 108,900
	Apr	3,510,000	677,000	2,780,000	367,000	9.6	6.6	88,000	111,000
	May	3,620,000	679,000	2,850,000	370,000	9.4	6.7	89,600	110,000
	Jun	3,800,000	716,000	2,680,000	367,000	8.4	6.3	90,200	111,500
	Jul	3,650,000	701,000	2,520,000	365,000	8.3	6.4	90,700	118,000
	Aug	3,690,000	712,000	2,540,000	363,000	8.2	6.3	91,500	110,000
	Sep	3,650,000	691,000	2,430,000	361,000	7.9	6.5	88,500	116,600
	Oct	3,680,000	718,000	2,400,000	353,000	7.9	6.1	88,900	112,900
	Nov	3,710,000	650,000	2,600,000	364,000	8.5	6.9	88,500	110,400
	Dec[r]	3,920,000	669,000	2,160,000	366,000	6.5	6.7	88,700	121,000
1989	Jan[r]	3,550,000	694,000	2,400,000	370,000	8.1	6.5	$89,700	$115,000
	Feb[r]	3,480,000	621,000	2,450,000	375,000	8.5	7.6	91,900	120,300
	Mar[p]	3,330,000	587,000	2,510,000	376,000	9.1	7.8	93,100	126,000

r Revised p Preliminary * not applicable
Source: New home sales data from Census Bureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
1988		3,594,000	673,000	929,000	1,350,000	642,000					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988	Mar	3,380,000	650,000	870,000	1,270,000	600,000	301,000	53,000	84,000	113,000	52,000
	Apr	3,510,000	660,000	910,000	1,320,000	620,000	316,000	57,000	90,000	118,000	51,000
	May	3,620,000	690,000	910,000	1,370,000	640,000	343,000	64,000	93,000	126,000	60,000
	Jun	3,800,000	720,000	1,000,000	1,410,000	680,000	379,000	73,000	102,000	133,000	71,000
	Jul	3,650,000	690,000	930,000	1,370,000	660,000	328,000	65,000	85,000	122,000	56,000
	Aug	3,690,000	680,000	930,000	1,400,000	670,000	368,000	73,000	94,000	134,000	66,000
	Sep	3,650,000	650,000	910,000	1,390,000	700,000	315,000	62,000	73,000	114,000	66,000
	Oct	3,680,000	640,000	940,000	1,410,000	690,000	304,000	59,000	73,000	114,000	59,000
	Nov	3,710,000	680,000	940,000	1,410,000	680,000	276,000	46,000	61,000	119,000	50,000
	Dec	3,920,000	700,000	1,010,000	1,500,000	700,000	258,000	44,000	62,000	105,000	48,000
1989	Jan	3,550,000	710,000	930,000	1,310,000	630,000	217,000	40,000	51,000	87,000	38,000
	Feb[r]	3,480,000	600,000	920,000	1,310,000	640,000	223,000	34,000	66,000	83,000	39,000
	Mar[p]	3,330,000	540,000	850,000	1,270,000	670,000	299,000	45,000	78,000	115,000	60,000

Components may not agree with totals due to rounding.
r Revised p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES
(Billions of Dollars)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		$ 225.9	$ 42.1	$44.6	$ 84.4	$ 53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
1988		405.4	104.6	73.4	136.0	93.3					
				Seasonally Adjusted Annual Rates					Not Seasonally Adjusted		
1988	Mar	$377.7	$100.7	$67.0	$129.2	$83.8	$33.6	$8.2	$6.4	$11.5	$7.3
	Apr	385.0	102.7	70.5	128.8	85.4	34.7	8.9	6.9	11.6	7.0
	May	410.1	108.3	72.1	141.1	92.2	38.8	10.1	7.3	13.0	8.6
	Jun	439.0	114.2	80.9	145.8	100.4	43.7	11.6	8.3	13.8	10.4
	Jul	418.8	108.4	74.9	142.7	96.1	37.6	10.3	6.8	12.7	8.2
	Aug	425.8	110.2	75.4	143.7	99.4	42.4	11.8	7.6	13.7	9.8
	Sep	410.8	99.9	71.0	138.1	104.4	35.4	9.6	5.7	11.3	9.7
	Oct	413.0	100.1	74.1	137.0	102.5	34.2	9.1	5.8	11.0	8.8
	Nov	417.0	103.9	73.6	139.3	101.6	31.0	7.0	4.7	11.8	7.5
	Dec	438.6	106.4	79.6	147.5	104.7	29.9	5.5	4.9	10.2	7.1
1989	Jan	$401.6	$110.4	$73.2	$129.6	$ 94.1	$24.5	$ 6.2	$4.2	$ 8.6	$ 5.7
	Feb^{r}	409.7	92.3	74.2	147.3	95.8	26.3	5.2	5.3	9.4	5.8
	Mar^{p}	388.7	84.7	69.1	133.8	102.4	35.0	7.1	6.4	12.1	9.1

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES
(Not Seasonally Adjusted)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
				Median					Average (Mean)		
1983		$70,300	$72,200	$56,600	$69,200	$94,900	$83,100	$85,400	$62,900	$81,500	$111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1988		89,300	143,000	68,400	82,200	124,900	112,800	155,500	78,900	100,800	145,400
1988	Mar	$88,900	$142,100	$67,200	$83,300	$119,900	$111,600	$155,200	$76,900	$101,900	$140,600
	Apr	88,000	141,000	67,600	81,000	117,700	109,600	154,600	77,300	97,900	137,700
	May	89,600	144,100	69,000	84,200	123,100	113,300	156,400	78,900	103,000	143,500
	Jun	90,200	147,300	70,000	83,900	127,000	115,400	158,800	81,100	103,600	147,700
	Jul	90,700	144,700	69,400	84,700	125,300	114,700	157,500	80,400	104,100	145,700
	Aug	91,500	148,400	69,800	83,400	126,900	115,400	161,200	81,000	102,400	147,900
	Sep	88,500	141,500	67,500	81,400	128,300	112,600	154,100	77,800	99,600	148,800
	Oct	88,900	144,400	68,000	80,500	130,000	112,300	155,700	79,100	97,100	149,100
	Nov	88,500	140,700	67,400	80,400	130,900	112,400	152,500	78,100	98,700	150,400
	Dec	88,700	143,000	67,700	78,200	128,700	112,000	152,500	79,000	97,800	149,100
1989	Jan	$89,700	$143,800	$67,800	$82,400	$130,700	$113,000	$155,400	$78,700	$98,900	$150,000
	Feb^{r}	91,900	142,600	69,900	86,700	127,800	117,800	154,100	80,600	112,400	148,500
	Mar^{p}	93,100	146,100	70,900	85,700	135,800	116,900	156,700	81,700	105,400	152,500

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS
(Percentage Distribution)

Price Class	Mar 1985	Mar 1986	Mar 1987	Mar 1988^r	Mar 1989^p
$ 19,999 or under	1.9	1.6	1.4	1.8	2.0
$ 20,000-$ 29,999	3.2	2.3	2.2	2.6	2.3
$ 30,000-$ 39,999	6.3	5.1	4.6	4.9	4.6
$ 40,000-$ 49,999	9.8	8.5	7.3	7.3	6.3
$ 50,000-$ 59,999	11.8	10.6	9.5	8.6	7.7
$ 60,000-$ 69,999	11.9	11.5	10.3	9.3	8.7
$ 70,000-$ 79,999	10.9	10.6	9.9	8.6	8.6
$ 80,000-$ 89,999	9.2	8.9	9.2	7.7	7.9
$ 90,000-$ 99,999	6.2	6.9	7.2	6.2	5.8
$100,000-$119,999	8.6	9.2	9.5	8.9	8.8
$120,000-$159,999	11.0	12.3	13.1	13.9	14.1
$160,000-$199,999	4.3	5.7	6.8	7.9	9.0
$200,000-$249,999	2.2	3.2	4.0	5.0	6.2
$250,000 and over	2.7	3.6	4.8	7.2	8.0
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$74,600	$79,800	$85,200	$88,900	$93,100

SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS
MARCH 1989^p
(Percentage Distribution)

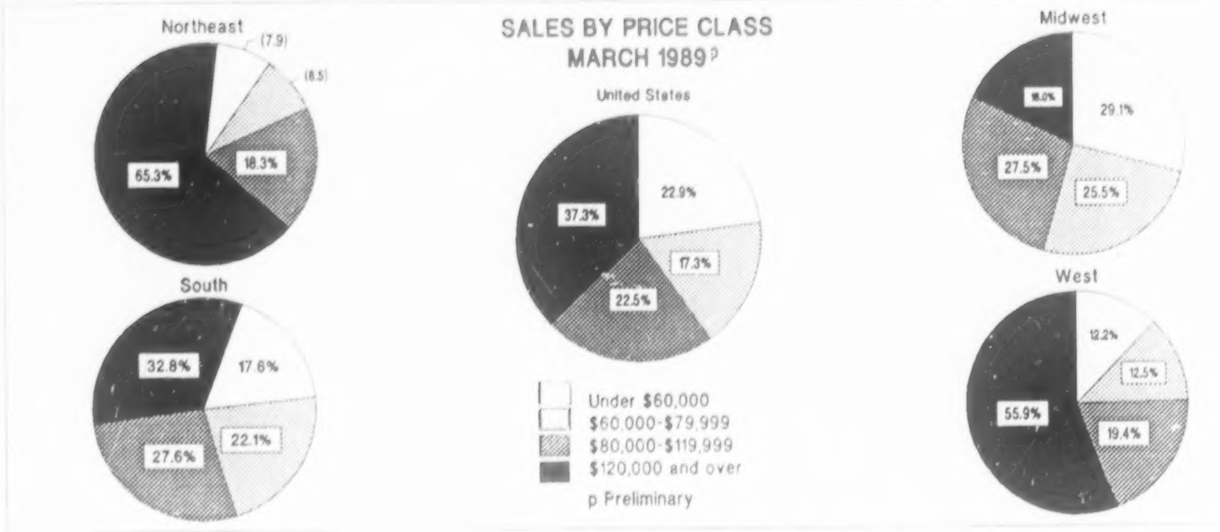
Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	16.7	13.8	19.1	14.0	20.9
3 Bedrooms	54.5	50.3	54.6	57.9	50.0
4 Bedrooms or more	28.8	35.0	26.3	28.1	29.1
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS
MARCH 1989^p
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	2.0	2.2	3.1	1.6	1.0
$ 20,000 - $ 29,999	2.3	0.6	4.4	2.2	0.9
$ 30,000 - $ 39,999	4.6	0.9	8.1	5.2	2.0
$ 40,000 - $ 49,999	6.3	1.7	10.1	7.0	3.5
$ 50,000 - $ 59,999	7.7	2.5	11.6	8.9	4.7
$ 60,000 - $ 69,999	8.7	4.0	11.8	9.8	6.2
$ 70,000 - $ 79,999	8.6	4.5	10.7	10.3	6.2
$ 80,000 - $ 89,999	7.9	5.3	9.9	8.7	6.0
$ 90,000 - $ 99,999	5.8	4.7	6.3	6.5	5.0
$100,000 - $119,999	8.8	8.3	8.1	9.9	8.3
$120,000 - $159,999	14.1	23.4	8.9	13.4	15.2
$160,000 - $199,999	9.0	17.0	3.8	7.0	12.1
$200,000 - $249,999	6.2	10.6	1.7	4.1	12.3
$250,000 and over	8.0	14.3	1.5	5.4	16.0
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$93,100	$146,100	$70,900	$85,700	$135,800

p Preliminary


SALES BY PRICE CLASS MARCH 1989p

HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes Composite	Fixed	ARM
1983	$70,300	12.85%	$616	30.1%	$24,580	$29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1988	89,300	9.31	591	22.1	32,100	28,360	113.2	103.3	121.6
1988									
Mar	$88,900	9.14%	$579	22.3%	$31,165	$27,812	112.1	103.9	120.3
Apr	88,000	9.21	577	22.1	31,269	27,702	112.9	104.6	123.1
May	89,600	9.22	588	22.5	31,373	28,231	111.1	102.6	120.2
Jun	90,200	9.28	595	22.7	31,476	28,570	110.2	100.7	119.4
Jul	90,700	9.32	601	22.8	31,580	28,830	109.5	99.0	118.6
Aug	91,500	9.32	606	22.9	31,684	29,084	108.9	98.1	117.4
Sep	88,500	9.30	585	22.1	31,788	28,081	113.2	101.0	121.5
Oct	88,900	9.41	593	22.3	31,892	28,481	112.0	100.6	120.5
Nov	88,500	9.48	594	22.3	31,996	28,526	112.2	102.8	119.4
Dec	88,700	9.59	601	22.5	32,100	28,864	111.2	103.0	119.3
1989									
Jan	$89,700	9.61%	$609	22.7%	$32,207	$29,240	110.1	101.4	118.3
Feb r	91,900	9.78	632	23.5	32,314	30,375	106.4	97.8	113.5
Mar p	93,100	9.96	651	24.1	32,421	31,246	103.8	96.7	110.1

* Effective rate on loans closed on existing homes—Federal Home Loan Bank Board. r Revised p Preliminary

** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Affordability Index	Composite Affordability Index	Affordability GAP (Percent)
1983	$59,800	$5,980	$53,820	12.85%	13.10%	$600	$17,109	$28,799	59.4	83.2	-28.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987	72,700	7,280	65,520	9.28	9.53	552	20,916	26,513	78.9	113.8	-30.7
1988 r	75,900	7,590	68,310	9.31	9.56	577	21,898	27,714	79.0	113.2	-30.2
1988											
I	$75,300	$7,530	$67,770	9.18%	9.43%	$566	$21,162	$27,187	77.8	112.0	-30.5
II	75,900	7,590	68,310	9.24	9.49	574	21,408	27,547	77.7	111.7	-30.4
III	76,700	7,670	69,030	9.31	9.56	583	21,653	28,006	77.3	111.0	-30.3
IV r	75,400	7,540	67,860	9.49	9.74	583	21,898	27,961	78.3	112.2	-30.2
1989											
I p	$77,800	$7,780	$70,020	9.78%	10.03%	$616	$22,143	$29,548	74.9	106.8	-29.9

* Effective rate on loans closed on existing homes—Federal Home Loan Bank Board. r Revised p Preliminary

** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES (Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1988		357,000	167,000	63,000	87,000	39,000
1988	I	344,000	165,000	57,000	85,000	38,000
	II	414,000	208,000	74,000	83,000	48,000
	III	340,000	154,000	66,000	87,000	33,000
	IV	320,000	138,000	52,000	92,000	38,000
1989	I^p	371,000	143,000	70,000	113,000	45,000

p Preliminary

TOTAL EXISTING HOME SALES SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1988		3,951,000	840,000	992,000	1,437,000	681,000
1988	I	3,640,000	820,000	950,000	1,290,000	590,000
	II	4,060,000	900,000	1,010,000	1,450,000	690,000
	III	4,000,000	830,000	990,000	1,470,000	710,000
	IV	4,090,000	810,000	1,020,000	1,530,000	730,000
1989	I^p	3,820,000	760,000	970,000	1,410,000	690,000

p Preliminary

MEDIAN SALES PRICE OF APARTMENT CONDOS AND CO-OPS, QUARTERLY (Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1988		83,100	110,600	60,600	64,500	108,900
1988	I	$81,300	$110,100	$57,700	$65,400	$104,200
	II	83,600	110,300	60,600	65,400	107,500
	III	83,300	110,300	61,500	63,500	112,500
	IV	83,500	111,400	61,900	63,900	109,800
1989	I^p	$82,100	$107,200	$64,400	$66,500	$106,200

p Preliminary

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
	1986	1987	1988[r]	1988[r]				1989
				I	II	III	IV	I[p]
Alabama	60.8	59.7	52.6	51.8	51.1	55.1	51.1	50.4
Alaska	6.1	7.7	9.6	8.0	8.3	12.0	10.1	6.0
Arizona	73.8	67.3	64.4	58.0	60.0	69.2	71.2	67.2
Arkansas	52.8	48.2	46.6	40.1	51.2	46.8	47.9	46.8
California*	484.6	507.0	562.8	502.9	566.9	587.4	593.9	615.1
Colorado	47.5	46.7	49.3	40.2	49.9	53.1	50.7	48.3
Connecticut	52.0	52.5	57.1	53.6	59.1	55.4	59.1	56.4
Delaware	12.9	14.0	13.3	12.7	14.1	13.3	13.1	12.2
District of Columbia	11.6	10.5	10.8	10.9	10.4	10.7	11.4	10.0
Florida	169.4	184.2	183.1	173.2	184.2	193.0	179.8	197.4
Georgia	75.1	89.0	84.9	88.8	84.3	76.3	88.3	87.1
Hawaii	10.0	11.5	10.3	10.9	10.5	10.0	9.9	11.5
Idaho	11.3	10.9	11.3	10.9	11.3	11.5	11.5	13.6
Illinois	179.2	175.3	186.5	172.4	180.2	191.8	203.4	197.6
Indiana	86.1	89.8	85.1	85.6	91.9	80.4	81.4	91.9
Iowa	46.1	48.3	54.0	47.2	53.6	57.4	56.8	45.3
Kansas	54.4	54.4	50.6	51.9	49.0	51.9	50.2	48.5
Kentucky	58.6	64.1	67.9	67.9	68.6	69.2	65.4	66.6
Louisiana	34.0	40.4	34.5	32.6	29.6	33.4	42.8	32.6
Maine	30.8	35.2	34.2	32.1	36.3	35.0	31.4	30.8
Maryland	86.9	78.5	86.2	74.7	80.1	89.6	97.1	89.6
Massachusetts	84.6	100.5	93.3	97.9	95.3	92.8	88.4	79.6
Michigan	186.6	169.6	168.6	171.9	177.6	160.6	160.6	194.6
Minnesota	96.8	89.4	82.4	86.3	78.9	79.6	88.6	72.9
Mississippi	34.2	34.2	30.6	28.8	30.4	28.8	33.9	31.6
Missouri	88.4	88.4	83.1	92.4	77.2	82.3	78.2	89.4
Montana	11.9	11.6	11.9	10.3	11.8	12.2	12.8	11.6
Nebraska	25.5	23.3	22.4	24.8	21.0	22.0	23.1	27.2
Nevada	11.0	12.2	12.2	11.4	10.9	13.1	13.6	12.3
New Hampshire	20.3	19.2	15.3	16.1	14.6	15.6	15.0	17.6
New Jersey	159.6	157.3	142.3	155.1	159.6	130.9	122.8	118.3
New Mexico	19.5	20.0	18.6	17.1	20.5	18.5	17.9	20.2
New York	216.8	223.9	213.4	206.8	218.2	216.3	208.7	191.6
North Carolina	139.2	140.6	141.8	134.7	143.3	146.1	141.4	123.3
North Dakota	9.5	11.2	11.2	11.4	11.5	11.2	10.7	13.6
Ohio	179.9	180.9	181.9	185.7	185.7	176.0	181.9	212.8
Oklahoma	49.4	44.6	49.6	45.3	46.8	52.1	52.8	55.1
Oregon	45.0	48.5	53.1	48.7	53.2	55.2	55.8	57.8
Pennsylvania	258.3	259.5	276.5	259.9	267.8	291.6	283.7	244.1
Rhode Island	13.5	13.4	13.8	12.8	15.8	13.4	12.7	14.5
South Carolina	58.0	60.9	63.3	50.9	65.0	70.6	61.7	52.3
South Dakota	13.2	13.0	14.2	14.9	11.5	14.7	16.1	23.1
Tennessee	112.0	111.2	102.6	101.2	102.0	97.2	109.9	112.3
Texas	198.9	224.3	238.5	220.8	229.3	246.3	254.8	240.6
Utah	14.6	14.6	14.3	14.0	14.0	14.3	14.8	10.7
Vermont	12.4	12.9	13.4	13.6	14.4	13.5	11.6	14.1
Virginia	130.4	113.0	113.6	111.4	112.5	113.6	118.0	110.3
Washington	50.6	43.6	48.9	46.2	49.7	51.5	47.1	57.6
West Virginia	39.7	36.6	44.5	56.0	46.5	38.0	36.4	58.7
Wisconsin	76.9	73.3	72.2	66.8	73.8	65.2	81.5	75.3
Wyoming	6.1	6.0	5.8	5.3	6.3	5.9	5.5	6.6

* Provided by the California Association of REALTORS®.

p Preliminary

r Revised

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

(Not Seasonally Adjusted in Thousands of Dollars)

	Years			Quarters				
	1986	1987	1988^{r}	1988				1989
Metropolitan Area				I	II	III	IV^{r}	I^{p}
Akron, OH	$ 56.2	$ 57.1	$ 59.9	$ 57.1	$60.1	62.6	58.4	56.0
Albany/Schenectady/Troy, NY	72.7	86.4	92.2	87.0	91.1	92.3	100.1	102.1
Albuquerque, NM	81.6	82.6	80.4	79.7	81.6	83.4	75.8	82.0
Orange County(Anaheim/Santa Ana MSA), CA**	147.7	167.3	206.9	182.7	200.0	217.4	226.4	237.8
Atlanta, GA	n/a	n/a	n/a	n/a	n/a	81.1	80.5	80.7
Baltimore, MD	74.0	81.1	88.7	83.6	87.3	92.3	89.6	92.2
Baton Rouge, LA	70.9	67.8	64.7	65.7	64.5	64.1	64.8	61.1
Birmingham, AL	68.3	71.6	75.7	73.1	76.5	77.3	74.9	77.3
Boston, MA	159.2	177.2	181.2	176.9	182.9	183.8	179.3	178.5
Buffalo/Niagara Falls, NY	52.4	56.7	65.6	64.1	64.8	66.6	67.5	68.7
Charleston, SC	n/a	72.7	73.1	72.6	73.5	74.4	71.3	72.4
Charlotte, NC	n/a	n/a	n/a	n/a	n/a	81.1	80.5	80.3
Chattanooga, TN	55.3	59.0	63.5	61.2	63.2	64.2	64.9	65.6
Chicago, IL	86.1	90.8	98.9	92.8	99.3	100.8	98.4	99.3
Cincinnati, OH	n/a	66.1	69.7	66.7	69.6	71.8	70.2	73.2
Cleveland, OH	66.9	68.1	69.2	66.5	69.9	69.8	69.3	69.4
Columbia, SC	67.2	68.4	69.7	68.3	70.6	70.7	68.7	71.9
Columbus, OH	65.5	68.7	72.6	66.2	73.4	74.5	74.6	73.9
Corpus Christi, TX	66.0	65.9	64.9	63.2	64.8	63.2	66.5	63.2
Dallas, TX	93.2	90.8	85.6	86.1	85.8	85.9	84.5	88.4
Daytona Beach, FL	57.7	60.2	62.6	59.3	63.3	62.7	64.1	59.5
Dayton/Springfield, OH	57.3	59.4	63.3	61.8	63.4	63.8	63.6	64.4
Denver,CO	86.4	88.9	81.8	83.7	83.4	81.1	79.7	80.8
Des Moines, IA	55.9	55.6	55.8	54.5	58.2	55.0	54.8	57.3
Detroit, MI	58.1	65.6	73.1	71.5	72.3	76.4	73.4	71.9
El Paso, TX	59.0	59.2	59.6	57.8	60.5	62.0	58.8	57.2
Ft.Lauderdale/Hollywood/Pompano Beach, FL	77.7	79.6	81.1	78.6	79.2	84.7	81.4	81.9
Ft. Worth, TX	87.9	80.0	80.2	84.5	82.6	78.6	77.9	75.3
Grand Rapids, MI	50.4	53.5	57.9	55.4	58.3	59.0	59.2	59.6
Greenville/Spartanburg, SC	64.3	64.2	65.9	64.1	64.9	68.7	64.5	61.9
Hartford, CT	129.0	157.4	167.6	166.4	169.0	168.8	165.0	165.5
Honolulu, HI	172.0	186.0	215.1	198.4	198.7	226.0	225.0	236.0
Houston, TX	69.9	65.9	61.8	60.2	63.5	65.5	56.8	62.9
Indianapolis, IN	59.0	62.5	66.1	61.8	66.7	67.5	66.6	68.0
Jacksonville, FL	62.8	65.1	67.7	68.9	67.4	67.2	67.9	65.9
Kansas City, MO/KS	65.4	69.8	70.5	70.9	71.9	69.9	69.3	73.8
Knoxville, TN	60.3	65.4	67.0	66.3	65.5	69.1	66.9	69.8
Lansing, MI	52.4	54.5	56.6	53.4	57.8	57.0	56.2	57.9
Las Vegas, NV	77.5	77.0	78.8	75.7	77.9	80.7	80.2	80.5
Lexington/Fayette, KY	67.7	72.5	73.5	69.7	72.7	75.6	75.4	74.9
Little Rock/N Little Rock, AR	63.2	63.1	63.9	63.0	63.1	65.6	63.8	63.4
Los Angeles Area, CA**	128.8	147.7	179.4	159.1	174.9	189.2	191.1	201.0
Louisville, KY	51.7	51.7	54.5	52.2	54.1	56.0	55.1	56.7
Madison, WI	66.4	69.2	72.0	67.7	71.8	74.2	70.7	74.7
Memphis, TN	70.6	75.0	76.3	77.5	76.8	76.6	74.5	77.0
Miami/Hialeah, FL	81.1	81.1	82.9	78.0	83.5	82.6	84.0	82.6
Milwaukee, WI	69.9	70.5	74.5	72.6	75.3	75.6	73.1	76.0
Minneapolis/St Paul, MN	77.9	80.5	85.2	84.4	84.3	86.0	87.2	85.9
Mobile, AL	52.9	55.6	53.0	50.6	49.7	56.1	55.8	50.9
Montgomery, AL	61.0	64.8	64.5	62.4	65.6	65.3	63.6	65.9
Nashville/Davidson, TN	70.8	75.5	77.6	77.6	78.3	78.1	76.5	79.6
New Haven/Meridan, CT	n/a	156.9	169.4	168.9	168.9	173.5	160.2	166.7
New Orleans, LA	n/a	n/a	73.1	73.0	73.2	74.8	70.9	71.2
NewYork/N. NewJersey/Long Island, NY/NJ/CT	160.6	183.5	183.8	187.0	194.0	192.1	179.8	181.7
Oklahoma City, OK	63.0	62.3	56.2	56.5	56.9	57.9	53.5	52.3
Omaha, NE	58.8	59.0	59.5	58.3	58.7	60.3	59.9	60.9
Orlando, FL	72.5	76.2	79.1	78.7	77.7	81.3	78.1	79.1
Peoria, IL	45.7	46.5	45.0	41.4	46.0	45.8	44.3	42.0
Philadelphia, PA	82.4	97.0	102.4	97.7	101.9	106.5	104.1	100.4
Phoenix, AZ	78.4	80.9^{r}	80.0	79.0	79.1	82.3	79.6	78.5
Pittsburgh, PA	n/a	n/a	63.2	60.9	62.2	66.3	62.8	62.4
Portland, OR	62.6	64.2	64.4	62.9	64.9	64.8	64.8	67.1

METROPOLITAN AREA DATA (continued):

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*
(Not Seasonally Adjusted in Thousands of Dollars)

	Years			Quarters				
				1988				1989
Metropolitan Area	1986	1987	1988^{r}	I	II	III	IV^{r}	I^{p}
Providence, RI	87.6	121.4	130.6	123.3	130.4	131.9	133.0	128.8
Raleigh/Durham, NC	89.5	98.0	97.0	87.7	99.8	100.0	97.6	102.0
Riverside/San Bernadino, CA**	94.5	96.1	106.7	95.5	104.9	109.6	113.2	116.1
Rochester, NY	68.3	72.5	75.7	73.2	73.7	78.3	76.3	84.2
Sacramento, CA**	n/a	87.5	95.3	88.2	92.3	100.2	97.4	100.3
Salt Lake City/Ogden, UT	68.5	69.4	67.7	65.3	66.9	70.0	67.7	66.5
San Antonio, TX	69.2	70.2	65.0	63.4	65.2	68.2	62.1	60.8
San Diego, CA**	118.2	129.2	147.8	134.4	142.6	152.1	157.2	163.9
San Francisco Bay Area, CA**	161.2	171.3	212.6	185.1	202.8	218.9	232.4	243.9
Seattle/Tacoma, WA	n/a	82.6	88.7	88.2	93.6	89.8	91.9	99.7
Spokane, WA	53.3	51.2	51.1	49.9	52.9	50.9	50.3	50.2
Springfield, MA	87.6	105.2	118.4	113.2	105.8	127.4	121.7	124.5
St. Louis, MO	70.9	74.3	78.1	74.1	79.5	81.1	75.7	81.4
Syracuse, NY	64.3	68.9	74.6	68.1	74.9	75.4	75.9	76.9
Tampa/St.Petersburg/Clearwater, FL	61.1	63.8	65.6	60.2	65.5	67.9	66.2	71.7
Toledo, OH	56.0	56.3	58.4	56.5	59.7	59.9	56.4	57.7
Tulsa, OK	65.5	65.7	65.0	63.5	65.0	65.5	65.3	60.5
Washington, DC/MD/VA	101.6	114.2	132.5	132.4	131.2	135.8	130.1	143.7
W. Palm Beach/Boca Raton/Delray Beach, FL	92.6	102.6	99.0	91.5	94.8	107.4	102.0	127.8
Wichita, KS	n/a	n/a	60.1	57.6	60.3	62.0	59.6	60.4
Worcester, MA	n/a	139.1	147.5	147.8	146.0	153.0	143.1	139.1

n/a Not Available p Preliminary r Revised

* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas.

** Provided by the California Association of REALTORS®.

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS* BY RANK, FIRST QUARTER, 1989^{p}
(Not Seasonally Adjusted in Thousands of Dollars)

1.	San Francisco Bay Area, CA**	$243.9
2.	Orange County (Anaheim/Santa Ana), CA**	237.9
3.	Honolulu, HI	236.0
4.	Los Angeles Area, CA*	201.0
5.	New York/No.New Jersey/ Long Island, NY/NJ/CT	181.7
6.	Boston, MA	178.5
7.	New Haven, CT	166.7
8.	Hartford, CT	165.5
9.	San Diego, CA**	163.9
10.	Washington, D.C./MD/VA	143.7
11.	Worcester, MA	139.1
12.	Providence, RI	128.8
13.	Springfield, MA	124.5
14.	Riverside/SanBernardino,CA**	116.1
15.	Albany/Schenectady/Troy,NY	102.1
16.	Raleigh, NC	102.0
17.	Philadelphia, PA	100.4
18.	Sacramento, CA**	100.3
19.	Seattle, WA	99.7
20.	Chicago, IL	99.3
21.	West Palm Beach/Boca Raton/ Delray Beach, FL	94.4
22.	Baltimore, MD	92.2
23.	Dallas, TX	88.4
24.	Minneapolis/St. Paul, MN	85.9
25.	Charlotte, NC	85.2
26.	Rochester, NY	84.2
27.	Miami/Hialeah, FL	82.6
28.	Albuquerque, NM	$82.0
29.	Ft.Lauderdale/Hollywood/ Pompano Beach,FL	81.9
30.	St. Louis, MO	81.4
31.	Denver, CO	80.8
32.	Las Vegas, NV	80.5
33.	Atlanta, GA	80.3
34.	Nashville, TN	79.6
35.	Orlando, FL	79.1
36.	Phoenix, AZ	78.5
37.	Birmingham, AL	77.3
38.	Memphis, TN	77.3
39.	Syracuse, NY	76.9
40.	Fort Worth, TX	75.3
41.	Lexington, KY	74.9
42.	Madison, WI	74.7
43.	Milwaukee, WI	74.5
44.	Columbus, OH	73.9
45.	Kansas City, KS	73.8
46.	Cincinatti, OH	73.2
47.	Charleston, SC	72.4
48.	Columbia, SC	71.9
49.	Detroit, MI	71.9
50.	Tampa/St.Petersburg/ Clearwater, FL	71.7
51.	New Orleans, LA	71.2
52.	Knoxville, TN	69.8
53.	Cleveland, OH	69.4
54.	Buffalo/Niagara Falls, NY	68.7
55.	Indianapolis, IN	68.0
56.	Portland, OR	$67.1
57.	Salt Lake City/Ogden, UT	66.5
58.	Jacksonville, FL	65.9
59.	Montgomery, AL	65.9
60.	Chattanooga, TN	65.6
61.	Dayton/Springfield, OH	64.4
62.	Little Rock, AR	63.4
63.	Corpus Christi, TX	63.2
64.	Houston, TX	62.9
65.	Pittsburgh, PA	62.4
66.	Greenville/Spartanburg, SC	61.9
67.	Baton Rouge, LA	61.1
68.	Omaha, NE	60.9
69.	San Antonio, TX	60.8
70.	Tulsa, OK	60.5
71.	Wichita, KS	60.4
72.	Grand Rapids, MI	59.6
73.	Daytona Beach, FL	59.5
74.	Lansing, MI	57.9
75.	Toledo, OH	57.7
76.	Des Moines, IA	57.3
77.	El Paso, TX	57.2
78.	Louisville, KY	56.7
79.	Akron, OH	56.0
80.	Oklahoma City, OK	52.3
81.	Mobile, AL	50.9
82.	Spokane, WA	50.2
83.	Peoria, IL	42.0

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p Preliminary

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** Provided by the California Association of REALTORS®.

METROPOLITAN AREA HOUSING AFFORDABILITY
Selected Metropolitan Areas by Major Components, First Quarter: 1989^{p}

Metropolitan Area***	Median-Priced Existing Single-Family Home	Mortgage Rate*	Median Family Income	Qualifying Income**	Composite Afford-ability Index
Baltimore, MD	$92,200	9.85	$37,411	$30,679	121.9
Boston, MA	178,500	10.39	43,858	62,137	70.6
Chicago, IL	99,300	9.77	35,737	32,817	108.9
Cleveland, OH	69,400	9.78	35,486	22,955	154.6
Dallas/Ft. Worth, TX	85,200	9.99	41,557	28,687	139.6
Denver, CO	80,800	9.60	39,772	26,316	151.1
Detroit, MI	71,900	9.92	37,645	24,066	156.4
Houston, TX	62,900	10.33	42,563	21,788	195.4
Indianapolis, IN	68,000	9.96	39,147	22,838	171.4
Kansas City, MO/KS	73,800	9.80	35,835	24,452	146.6
Los Angeles Area, CA#	201,000	9.57	33,977	65,295	52.0
Miami/Hialeah, FL	82,600	9.44	29,326	26,532	110.5
Milwaukee, WI	74,500	10.21	37,212	26,065	145.6
Minneapolis/St Paul, MN	85,900	9.78	43,191	28,412	152.0
NewYork/N. NewJersey/Long Island, NY/NJ/CT	181,700	9.62	30,346	59,281	51.2
Philadelphia, PA	100,400	9.80	37,296	33,265	112.1
Phoenix, AZ	78,500	9.74	35,287	25,876	136.4
Pittsburgh, PA	62,400	9.23	29,708	19,678	151.0
St. Louis, MO	81,400	10.88	36,896	29,484	125.1
San Diego, CA#	163,900	9.31	33,634	52,051	64.6
San Francisco Bay Area, CA#	243,900	9.57	42,815	79,231	54.0
Washington, DC/MD/VA	143,700	9.10	50,789	44,797	113.4

p Preliminary

* Effective rate on loans closed on existing homes - Federal Home Loan Bank Board

** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment

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# Note: The California Association of REALTORS® publishes a housing affordability index for areas within the state which differs significantly from these values because it measures the proportion of households which could theoretically afford to purchase the median price home rather than the ability of a median income family to carry the mortgage. California data is provided for comparison only and is not to replace the currently available measures. The indices are roughly consistent.

HOUSING AFFORDABILITY INDEX FOR METROPOLITAN AREAS

Metropolitan Area*	Years			Quarters				
	1986	1987	1988	1988				1989
				I	II	III	IV	I^{p}
Baltimore, MD	125.5	133.8	129.0	135.6	128.8	123.2	128.4	121.9
Boston, MA	69.9	72.6	74.5	75.6	76.4	72.4	73.5	70.6
Chicago, IL	109.9	116.2	110.1	113.6	109.0	108.0	109.9	108.9
Cleveland, OH	140.0	152.7	154.0	154.7	154.6	154.3	152.5	154.6
Dallas/Ft. Worth, TX	117.7	132.5	143.2	140.3	143.2	141.9	147.3	139.6
Denver, CO	122.4	127.0	143.8	136.7	139.2	144.9	154.3	151.1
Detroit, MI	166.7	166.5	154.3	159.3	155.9	149.9	152.3	156.4
Houston, TX	150.9	182.5	199.8	199.6	196.3	184.2	219.1	195.4
Indianapolis, IN	161.1	176.4	177.3	188.1	178.1	172.6	170.6	171.4
Kansas City, MO/KS	147.2	149.5	157.2	159.2	156.8	156.5	156.2	146.6
Los Angeles Area, CA#	69.5	72.9	61.2	68.2	61.6	58.2	56.8	52.0
Miami/Hialeah, FL	94.3	108.8	113.4	117.5	111.2	112.9	111.9	110.5
Milwaukee, WI	147.6	162.1	149.3	147.8	148.4	149.2	151.9	145.6
Minneapolis/St. Paul, MN	148.4	164.1	156.7	162.9	159.4	159.9	144.6	152.0
New York/N. New Jersey/Long Island, NY/NJ/CT	49.3	50.4	50.6	50.4	49.3	49.8	53.0	51.2
Philadelphia, PA	112.4	110.3	108.9	113.4	110.6	105.5	106.2	112.1
Phoenix, AZ	117.9	130.6	134.7	134.8	137.0	133.5	133.7	136.4
Pittsburgh, PA	n/a	n/a	144.6	148.0	152.3	138.5	139.5	151.0
St. Louis, MO	137.4	147.3	150.0	161.9	144.7	143.1	150.2	125.1
San Diego, CA#	77.2	83.9	72.2	68.6	78.8	73.1	68.3	64.6
San Francisco Bay Area, CA#	69.9	76.8	69.0	77.2	71.2	66.4	61.2	54.0
Washington, DC/MD/VA	126.4	129.2	119.0	117.1	120.2	117.1	121.7	113.4

p Preliminary

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# Note: The California Association of REALTORS® publishes a housing affordability index for areas within the state which differs significantly from these values because it measures the proportion of households which could theoretically afford to purchase the median price home rather than the ability of a median income family to carry the mortgage. California data is provided for comparision only and is not to replace the currently available measures. The indices are roughly consistent.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Thousands of Units)

Year		Total	In structures with – –			Regions			
			1 unit	2 to 4 units	5 units or more	Northeast	Midwest	South	West
1983		1,703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
1988		1,488	1,080	59	349	235	274	574	404
			Seasonally Adjusted Annual Rates						
1988	Mar	1,528	1,169	57	302	284	261	574	409
	Apr	1,576	1,087	58	431	260	344	595	377
	May	1,392	1,001	53	338	202	267	562	361
	Jun	1,463	1,088	62	313	238	262	585	378
	Jul	1,478	1,067	50	361	255	283	566	374
	Aug	1,459	1,076	59	324	217	239	573	430
	Sep	1,463	1,039	62	362	206	258	576	423
	Oct	1,532	1,136	63	333	198	273	582	479
	Nov	1,567	1,138	68	361	219	275	613	460
	Dec	1,577	1,141	65	371	201	343	609	424
1989	Jan^{r}	1,678	1,199	66	413	293	313	642	430
	Feb^{r}	1,476	1,034	56	386	226	278	573	399
	Mar^{p}	1,397	994	48	355	149	307	546	395

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW ONE-FAMILY HOUSES SOLD
(Thousands of houses sold during period)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987		671	117	97	271	186					
1988		677	102	97	275	202					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988	Mar	665	114	90	282	180	68	11	9	30	19
	Apr	677	109	93	287	188	68	10	10	28	19
	May	679	101	93	290	194	64	10	10	27	18
	Jun	716	114	93	286	223	65	11	8	25	20
	Jul	701	104	93	283	221	57	9	8	23	17
	Aug	712	100	98	300	214	59	8	9	25	17
	Sep	691	86	99	261	245	54	7	8	21	18
	Oct	718	96	111	274	238	57	8	9	20	19
	Nov	650	65	104	254	227	43	5	7	17	15
	Dec^{r}	669	109	94	263	204	42	7	5	17	12
1989	Jan^{r}	691	126	102	250	213	52	8	6	21	17
	Feb^{r}	621	90	108	228	195	51	6	8	19	17
	Mar^{p}	587	129	105	199	155	60	13	11	21	16

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF MARCH
(Percentage Distribution)

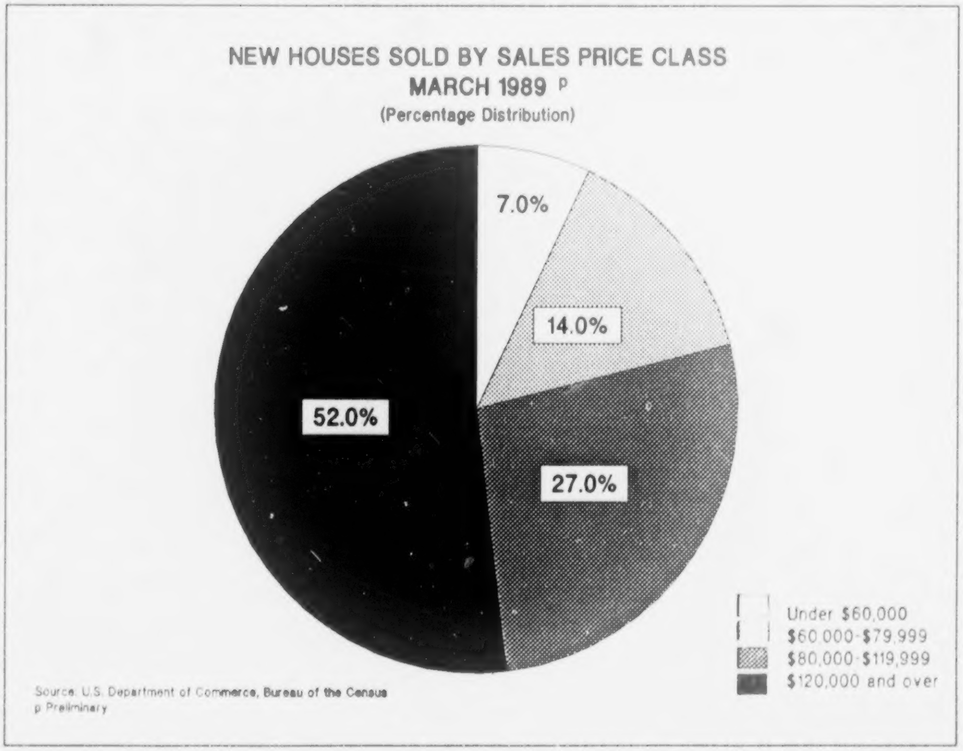
Price Class	Mar 1985	Mar 1986	Mar 1987	Mar 1988[r]	Mar 1989[p]
Under $60,000	15	14	9	7	7
$60,000 to $79,999	30	26	18	17	13
$80,000 to $99,999	23	22	24	20	15
$100,000 to $119,999	9	10	14	13	12
$120,000 to-$149,999	10	10	14	15	13
$150,000 and over	13	18	21	28	39
Median Sales-Price	$84,200	$88,700	$98,400	$108,900	$126,000

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
FIRST QUARTER 1989[p]
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	8	*	12	16	*
$60,000 to $79,999	14	*	20	21	8
$80,000 to $119,999	28	19	27	33	27
$120,000 and over	50	81	40	30	65
Median Sales Price	$119,00	$186,200	$101,000	$90,900	$137,000

* Insufficient Sample Slze
p Preliminary
Source: Census Bureau, U.S. Department of Commerce.


NEW HOUSES SOLD BY SALES PRICE CLASS
MARCH 1989 p
(Percentage Distribution)

Source: U.S. Department of Commerce, Bureau of the Census
p Preliminary

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Economics & Research Division
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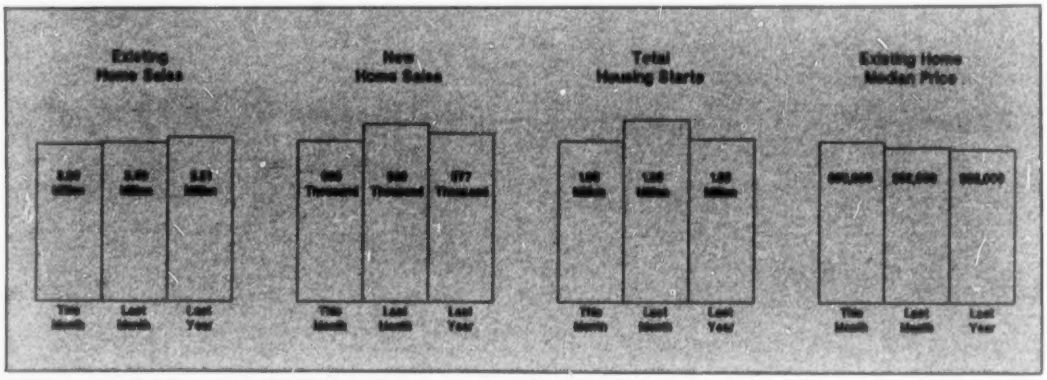
A7000-2
7/11/89

Vol. 3, No. 5 May 1989

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Existing and new home sales volume moved in opposite directions in April as increasing interest rates clouded the overall housing picture. Existing home sales activity slipped to a 12-month low of 3,360,000 units on a seasonally adjusted annual rate basis. New home sales activity posted a small gain to an annualized rate of 620,000 units after hitting a 12-month low in March.
- A slowdown in the rate of existing home sales nudged the overall supply of homes on the market upward by 169,000 units to 3,013,000--the fourth straight monthly increase. The months' supply of available homes rose to 9.4 months for existing homes while slipping to 7.5 months for new homes..
- The pace of total private housing starts decreased 2.7 percent to an annualized rate of 1,361,000 in April. Despite this overall drop, construction of single-unit structures rebounded 5.0 percent after hitting a 12-month low last month.
- The median price of an existing single-family home hit a new all-time high of $93,500 in April as rising interest rates forced marginal buyers of lower priced homes to the sidelines. New home prices fell back sharply to $117,000 after hitting a record high of $126,000 in March.
- Housing affordability worsened in April as mortgage interest rates continued to climb. In April, the Housing Affordability Index fell 2.6 points to 102.6, the lowest it's been since August, 1986. The First-Time Homebuyer Affordability Index remains at 75.2, the lowest level of the past five quarters.

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SURVEY DESCRIPTION

Publication

1. Home Sales is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage

2. Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 450 Boards of REALTORS® and multiple listing systems across the country. In 1988, data on over 1,140,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions

4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows:

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH
Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST
Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST
Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	.14	South	.35
Midwest	.28	West	.23

Sales Volume

6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant 'blow-up' factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report 'closings'. To the extent 'closings' are contained in this series, they introduce a 'distributive lag' effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price

10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a standard home. Prices are influenced by changes in cost and changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are not seasonally adjusted.

Seasonal Adjustment

13. Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading-day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium/cooperative sales and state home sales are based on quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

EQUAL HOUSING OPPORTUNITY

THE NATIONAL ASSOCIATION OF REALTORS® is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. The Association encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin.

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A Diverse Universe

Economists and statisticians, loving numbers for their own sake, tend to deal contentedly with measures of central tendency for a distribution (jargon for median and average prices) understanding fully that they are just numbers that describe in summary fashion a wide array of choices, a diverse universe of housing options if you will. Clearly it is easier to discuss a single number than it is a distribution, and while the single numbers are accurate, they are easily misinterpreted.

Eventually the economists talk to newspaper, radio and TV reporters who prepare stories about the price of housing , and suddenly the median price is exposed to a far wider audience, with a limited understanding of what a statistic means. Despite the economists warnings to the reporters to use caution in interpreting the statistics, the public reads or hears that the price of housing in the area is so much, and they immediately assume that it is virtually the minimum price available, when in reality half the homes sold were less expensive. The media is not really to blame. They are subject to severe limitations of space and complexity in their reporting, and the information they are providing is correctly reported. It is, however, often inaccurately received.

Economists compound the problem. We compute other statistics using that median price, and call them measures of affordability. Again the media sees a single number, and it is reported that the affordability of housing has declined -- and it takes an income of a given size to afford a home. Simple numbers are great, but rarely are they as simple as they appear.

A foremost example is housing affordability. Is there an affordability crisis? Absolutely. Is it most severe in the high-cost areas along either coast? Yes. Does this mean a "typical" family cannot afford to buy a home? Not necessarily. It means they will need a diligent, organized search, to make a sizeable downpayment, and perhaps scale back their expectations, but a wide range of housing exists in all real estate markets.

Let's take a case in point. The first-time buyer affordability index in the first quarter stood at 74.9. Regular readers know that this means a median income renter family with a householder between the ages of 25 and 44 has 74.9 percent of the income required to carry a 90 percent mortgage on a typical "starter" home. Too often it is reported that first-time buyers cannot buy in the current market, or that an income of at least a given amount is required to purchase a home (rather than the median price home).

First, just as the median home price represents a distribution through a single number, the median income represents a distribution. Half the families in the target population have family incomes above the median. Second, many homes around the country are priced below the starter-home median. In fact, nearly a quarter of the homes sold in April were priced below $60,000, the basic affordability threshold of the median income renter family in their prime first-time buyer years. Even in the high-priced Northeast and West a significant number of lower priced homes can be found. In the Northeast nearly 3,600 homes priced below $60,000 were sold in the month of April alone, while in the West another 5,800 homes were sold for similar prices. Of course, part of the explanation is still regional. The geography of the West includes the high-priced San Francisco Bay Area and other communities along the coast as well as inland communities like Spokane, Washington, where the median price is just over $50,000, but it's not feasible to commute from Spokane to San Francisco. Nevertheless, there are a few modestly priced homes in the high priced markets, but the search must be joined to find them.

The point of all this is: the statistics are here for your use. They provide a framework through which to compare markets and to monitor changes in the industry. They should not, however, be used to establish ceilings or floors, to determine whether or not to participate in the housing market. Whether sales are rapid or slow, whether prices are increasing or decreasing, whether housing costs are relatively high or low, the real estate market will remain one which offers a wide range of options to the potential homebuyer. It then becomes the responsibility of the buyers and the real estate agents who are working with them, to learn about the characteristics of their local market, and find those properties which allow them to satisfy the American dream of homeownership.

Glenn E. Crellin
Division Vice President

APRIL HOUSING MARKETS

Housing markets were mixed during April as increasing mortgage interest rates cast a widening shadow over the housing market.

The existing and new home markets moved in opposite directions during the month with activity for both at or near their lowest levels of the past 12 months. The Federal Reserve Board's anti-inflation policy cut deeper into the resale market when the effective mortgage interest rate increased for the seventh consecutive month forcing marginal homebuyers to the sidelines. Existing home sales volume decreased for the third straight month to a seasonally adjusted annual rate of 3,360,000 units, 1.2 percent below last month and 4.3 percent lower than April of last year. By contrast, the new home sales rate rebounded 10.9 percent to a seasonally adjusted annual rate of 620,000 units, the second lowest pace of the past 12 months and off 8.4 percent from a year ago.

Regional comparisons of existing single-family home resale volume reveal a mixed pattern. The market in the Northeast rebounded 7.0 percent to a seasonally adjusted annual rate of 610,000 units in April after slipping to a 12 month low in March. Sales in the Midwest also improved, rising a modest 2.3 percent to an annualized rate of 890,000 units. Activity in the South and West was at their lowest levels of the past 12 months, unchanged in the South at a 1,270,000 unit pace and down 7.5 percent in the West to an annualized rate of 620,000 transactions.

New home sales activity varied sharply across the regions with the Northeast and Midwest reporting relatively strong decreases of 17.2 percent to seasonally adjusted rates of 96,000 units and 6.8 percent to 96,000 units, respectively; and the South and West posting very strong increases of 21.2 percent to annualized rates of 234,000 units and 31.3 percent to 193,000 units, respectively.

Inventory Available for Sale

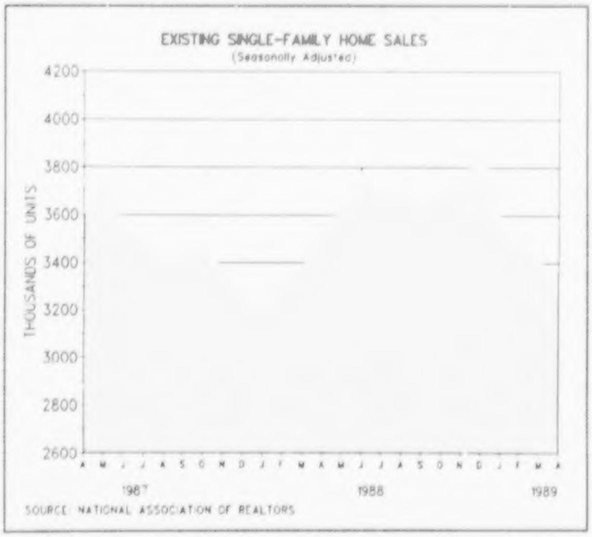
The total inventory of existing and new homes for sale has increased every month since last December when, as a result of a year-end surge in the rate of existing home sales, the supply of homes on the market was drawn down to 2,526,000 units.

The current supply of existing and new homes on the market now stands at 3,013,000 units, the highest it's been since June of last year. Of the total, 2,640,000 are resale properties, while 373,000 are new homes.

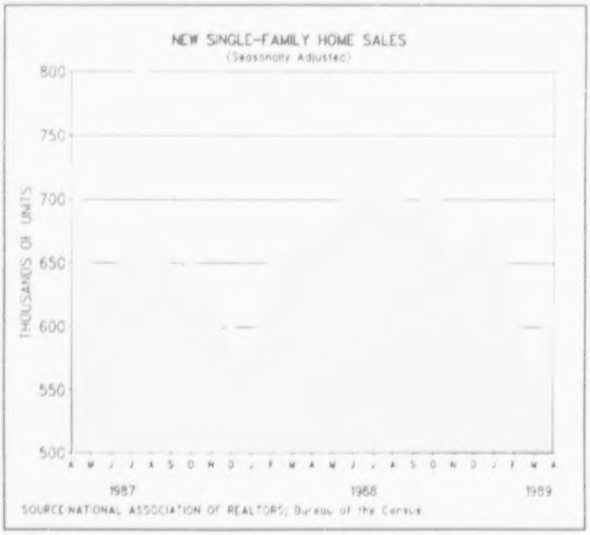
When put in terms of months' supply of available housing, the current inventory of existing single-family homes can be expected to last 9.4 months compared to a 8.7 months for last month. On the other hand, the supply of new homes shrank from 8.0 months to 7.5 months.

Housing Construction

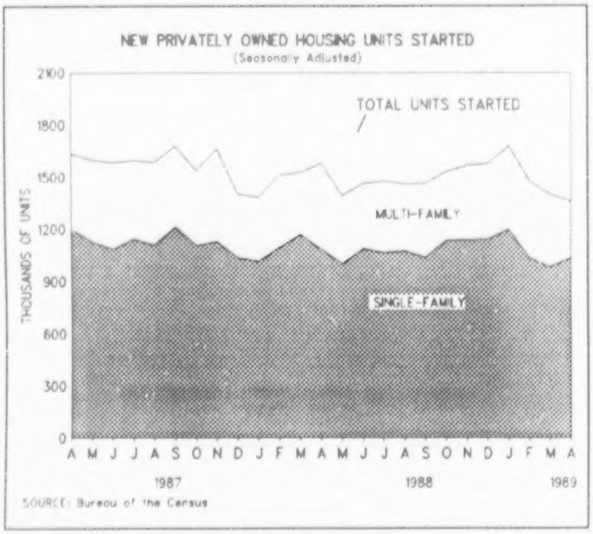
Despite a further decline in total new privately owned housing units started, construction of single-family structures paralleled new home sales in April as builders tried to adjust their plans to changing credit conditions. In April, new privately owned housing starts slipped 2.7 percent to a seasonally adjusted annual rate of 1,361,000 units. While construction of single-unit structures increased 50,000 units to a rate of 1,036,000 units, this gain was more than offset by a 105,000 unit drop in structures with 5 units or more.


EXISTING SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS

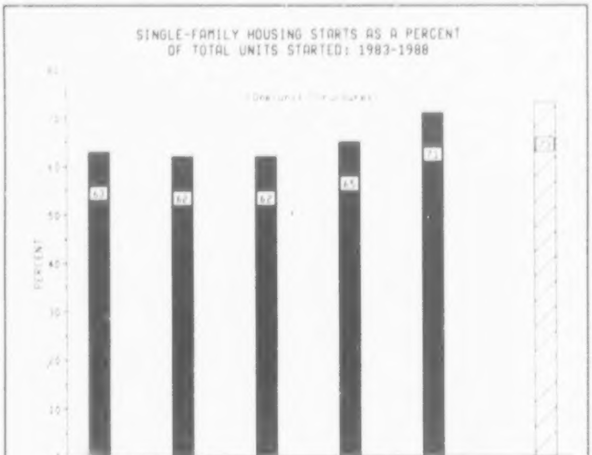

NEW SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS; Bureau of the Census



SOURCE: Bureau of the Census

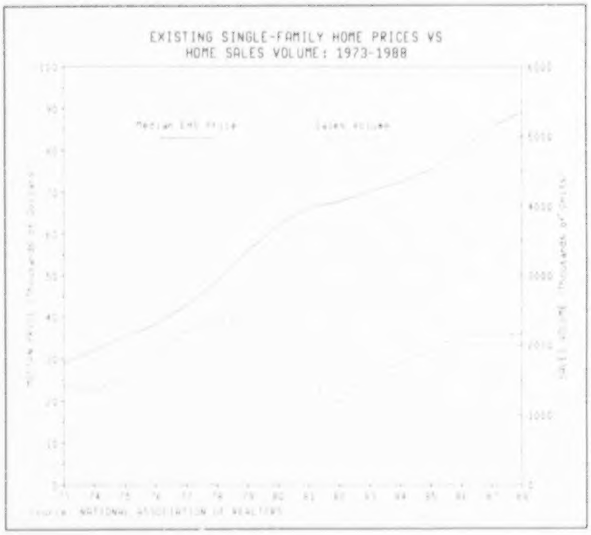
Regional comparisons of new construction in April point to a rebound in activity in the Northeast and continuing weakness in the other three regions. After dropping to a new 12-month low of 153,000 units in March the annualized rate of housing starts in the Northeast bounced back 35.9 percent to a rate of 208,000 units. Activity in the other three regions dropped moderately during the period with new construction in the Midwest falling 9.5 percent to a pace of 277,000 units, close to the bottom of its most recent 12-month range. Meanwhile, both the South and West hit new lows when they fell 4.0 percent to a 529,000 rate and 10.8 percent to a 347,000 pace, respectively.



Source: Bureau of the Census

Home Sales Prices

It was "all systems go" for existing single-family home prices in April with prices up from both last month and a year ago for the U.S. and each of the four regions. New home prices settled back moderately but were still above a year ago. These strong prices should not be surprising as they reflect an increasing share of purchases of higher priced houses by move-up buyers.



Source: NATIONAL ASSOCIATION OF REALTORS

Nationally, the median price of an existing single-family home increased $1,500 in April to a new all-time high of $93,500, 6.3 percent above the same month a year ago. Prices in the Northeast were up a modest $700 to $144,300, 2.3 percent above a year ago, still well below the high of $148,400 reached last August. The Midwest reported a $600 increase which pushed its median price to a new high of $70,500, 4.3 percent above the same month a year ago. In the South, the median price rose $2,100 to an all-time high of $86,100, 6.3 percent above the price of a year ago. A particularly healthy economic environment in the West has made it a standout as a "hot" market in terms of prices. Rapidly escalating prices in the West are closing in on the Northeast which has been the price leader since 1986. In April, the median price in the West rose $2,700 to $140,700, the second new monthly high in a row and a hefty 19.5 percent above the April 1988 level.

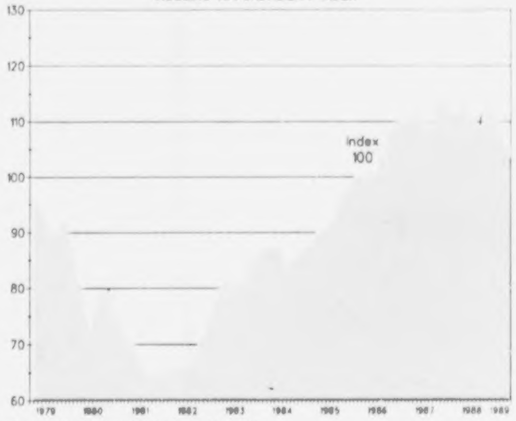
By contrast, the median price of a new home fell $9,000 to $117,00 during the month, placing it in the middle of the range of the last 12 months. Despite the decrease, it is still 5.4 percent above April of a year ago.

Resale Housing Affordability

Seven consecutive months of rising interest rates and generally increasing home prices have combined to put homeownership beyond the grasp of still more would-be homebuyers. In April, the Housing Affordability Index dropped 2.6 points to 102.6, the lowest level since August, 1986.

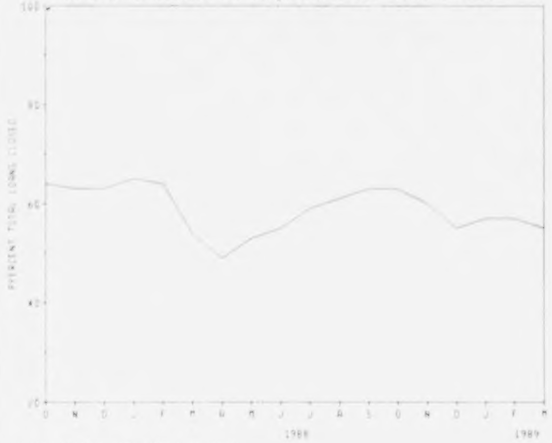
The current affordability index of 102.6 means that a family earning the median family income of $32,528 has 102.6 percent of the income necessary to marginally qualify for a conventional loan covering 80 percent of the

HOUSING AFFORDABILITY INDEX*



Source: NATIONAL ASSOCIATION OF REALTORS
* Index = 100 when median family income equals qualifying income.

ADJUSTABLE RATE MORTGAGES SHARE OF TOTAL LOANS CLOSED: MONTHLY, OCTOBER 1987 TO MARCH 1989



SOURCE: FEDERAL HOME LOAN BANK BOARD

median price existing home ($93,500) at prevailing mortgage interest rates.

The first-time homebuyer's level of frustration has also been made worse by increasing mortgage interest rates and home prices.

In the first quarter of 1989, the First-time Homebuyer Affordability Index stumbled to 75.2 from 78.3 in the last quarter of 1988. A First-time Homebuyer Affordability Index of 75.2 means that the typical renter family in their prime homebuyer years (ages 25-44) had 75.2 percent of the income required to qualify for a mortgage on a typically priced starter home, assuming a down payment of just 10 percent.

The drop in the index translates into a higher qualifying income requirement which can be illustrated by comparing the relationship between the two numbers.Between the first quarter of 1988 and the first quarter of 1989 prime first-time median income increased by $981 or 4.6 percent. Concurrently, qualifying income increased by $2,244 or 8 3 percent. Also, the gap between prime first-time income and qualifying income jumped from $6,025 in the first quarter of 1988 to $7,288 in the first quarter of 1989, a 21.0 percent increase.

GAP BETWEEN MEDIAN INCOME & QUALIFYING INCOME FOR FIRST-TIME HOMEBUYER LOAN: QUARTERLY

YEAR		Prime First-Time Medi an Income	Qualifying Income	Gap Between Income and Qualifying Income
1983		$17,109	$28,799	$11,690
1984		18,735	28,851	10,116
1985		19,484	28.507	9,023
1986		20,400	26,990	6,590
1987		20,916	26,513	5,597
1988		21,898	27,714	5,818
1988	I	$21,162	$27,187	$6,025
	II	21,408	27,547	6,139
	III	21,653	28,006	6,353
	IV	21,898	27,961	6,063
1989	I	$22,143	$29,431	$7,288

The recent decreases in the composite Housing Affordability Index have been accompanied by decreases in the spread between fixed-rate and adjustable rate mortgage indexes. This spread has now narrowed to 12.2 points, making ARMs relatively less attractive for homebuyers who would be exposing themselves to upward adjustments in their mortgage payments.

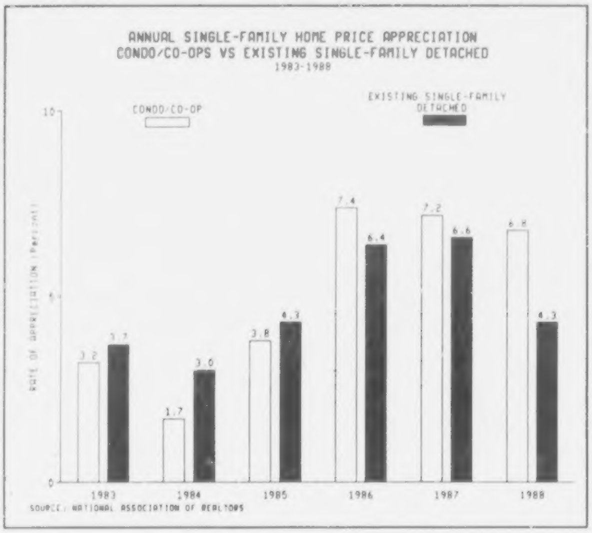
Total Home Resales

Total first quarter 1989 existing home sales (including single-family, condominiums and co-operatives) fell 6.1 percent from the prior quarter to a seasonally adjusted annual rate of 3,840,000 units, 5.5 percent above a year ago. This quarter-to quarter decrease may reflect some initial buyer uncertainty over rising interest rates and rising home prices.

The decline in total homes sold between the first quarter 1989 and the previous quarter was felt in all four regions. The seasonally adjusted annual rate of home sales fell 3.7 percent the Northeast, 3.9 percent in the Midwest, 9.2 percent in the South, and 5.5 percent in the West.

During the first quarter 1989, the volume leading South reported 140,000 fewer unit sales than in the previous quarter during which time volume increased substantially while median home prices slipped.

Total home sales in the Northeast declined by 30,000 units from the fourth quarter 1988. This was the third consecutive quarter of declining sales. The Northeast was the only region where the number of homes sold was lower in the first quarter of 1989 than a year ago (down 4.9 percent). This may indicate a continuation of the softening of the housing market in that region.


ANNUAL SINGLE-FAMILY HOME PRICE APPRECIATION
CONDO/CO-OPS VS EXISTING SINGLE-FAMILY DETACHED
1983-1988

SOURCE: NATIONAL ASSOCIATION OF REALTORS

Total home sales activity in the Midwest was slightly above the level of a year ago, recording a seasonally adjusted annual rate of 980,000 units.

The West reported 40,000 fewer transactions during the first quarter of 1989, but still saw 690,000 homes sold. This decrease may have been a normal reaction to the hefty increase in the volume of homes sold throughout 1988. This was the first quarter to show a decline in more than one year. Total units sold actually increased 16.9 percent from a year ago.

Condominium/Cooperative Resales

Demand for apartment condominiums and cooperatives picked up in the first quarter pushing condo/co-op sales above the level of the previous quarter. The total condo and co-op sales volume rose 11.6 percent from the previous period to a seasonally adjusted annual rate of 357,000 units, 3.8 percent above the same quarter of a year ago.

Quarter-to-quarter comparisons point to solid across the board increases in each of the four regions with the Midwest making the strongest showing in running up a 34.6 percent gain to a seasonally adjusted annual rate of 70,000 units. The West was second strongest with a 15.8 percent jump to an annualized rate of 44,000 units. The South and Northeast followed suit with increases of 2.2 percent to 94,000 units and 8.7 percent to 150,000 units, respectively. While the condo-co-op market in general looks healthy, the Northeast seems to have lost its vitality.

Overall first quarter apartment condominium/cooperative prices increased marginally from the previous quarter to a new high of $83,700, 3.0 percent above a year ago. Once again signs of a cooling in the Northeast were verified by a $4,400 decrease in the median price to $107,000, the lowest in the past five quarters for that region and 2.8 percent below the level of a year ago. Prices advanced in each of the other three regions with the Midwest and South posting new highs for the past five quarters. The Midwest climbed $2,400 to $64,300, 11.4 percent above a year ago and the South jumped $4,000 to $67,900, 3.8 percent above the first quarter of last year. Condo/co-op prices in the West were up $1,300 to $111,100, a shade below their previous high and 6.6 percent more than the first quarter of 1988.

State Resale Market

Reflecting the drop in total home sales reported previously, twenty seven states, and the District of Columbia reported fewer sales this quarter. Nine states posted declines in units sold of 10 percent or more. States with the most significant drops included, Alaska (-38.6 percent), Minnesota (-25.3 percent), Iowa (-20.2 percent), and Louisiana (-16.6 percent). States which registered significant increases in volume sales included West Virginia (76.4 percent), South Dakota (35.4 percent), and Hawaii (35.4 percent).

Of the nine U.S. States comprising the Northeast region, three of the States located in the New England area posted a quarter to quarter decline in sales activity. This supports the general consensus that the housing market in New England is softening. Exorbitantly priced homes are delaying would-be home buyers to purchase homes until the market settles down further.

Seven states in the West reported volume increases from the 4th quarter 1988. California led in absolute numbers of homes sold with 615,000 home sales reported this quarter, up 3.6 percent from the fourth quarter.

Activity in the South was somewhat slower this quarter. Of the seventeen southern states, eleven recorded declines in market activity. Home sales fell 16.6 percent in Louisiana, 15.2 percent in South Carolina, 14.1 percent in North Carolina, and 12.3 percent in the District of Columbia. The exception was West Virginia were sales activity increased a rather robust 76.4 percent from the previous quarter.

The market in the Midwest was more equally divided. South Dakota had a big rise in home sales activity, up 35.4 percent from the fourth quarter, while Minnesota slipped 25.3 percent in sales activity.

Metropolitan Home Sale Prices

More than three quarters of the metropolitan areas in our survey experienced home price appreciation compared to this quarter a year ago.

The largest metropolitan price appreciation occurred in California. The median home price in San Francisco reached $243,900 up 31.8 percent from the same period a year ago. Orange County posted a median home price of $237,900, increasing 26.7 percent from a year ago.

The Los Angeles Area median home price was $201,000 increasing 26.3 percent.

Phoenix and Denver were the only two areas in the West to report price depreciation, down 0.6 and 3.5 percent, respectively.

In the Midwest, Akron was the only metropolitan area to report a fall in home prices. Columbus, Madison and Indianapolis experienced price appreciation of more than 10 percent.

Albany/Schenectady/Troy led the North in home price appreciation, rising 17.4 percent form the same quarter a year ago. Rochester, Syracuse, and Springfield all showed increases of 10 percent or more. Median home prices for both Hartford and New Haven/Meridan fell slightly, down 0.5 and 1.3 percent respectively.

Prices in Houston rose 4.5 percent and 2.7 percent in Dallas. However, Fort Worth/Arlington reported a 3.2 percent decline in the median price compared to a year ago.

Halvor M. Juul
Director of Surveys

Ann Mulvaney
Research Economist

State Home Resales: First Quarter 1989
(Percent Change from 4th Quarter 1988)

Down 10% or More
- Alaska
- District of Columbia
- Iowa
- Louisiana
- Minnesota
- Nevada
- North Carolina
- Pennsylvania
- South Carolina

Down 0.1 - 9.9%
- Arizona
- Arkansas
- Colorado
- Connecticut
- Delaware
- Georgia
- Illinois
- Kansas
- Maine
- Maryland
- Missippi
- Montana
- New Hampshire
- New York
- Texas
- Utah
- Virginia
- Wisconsin

Up 0.1 - 9.9%
- Alabama
- California
- Florida
- Massachusetts
- Oklahoma
- Oregon
- Tennessee

Up 10% or More
- Hawaii
- Idaho
- Indiana
- Kentucky
- Michigan
- Missouri
- Nebraska
- New Jersey
- New Mexicco
- North Dakota
- Ohio
- Rhode Island
- South Dakota
- Vermont
- Washington
- West Virginia
- Wyoming

Metropolitan Home Sales Price
(Change from 1st Quarter 1988)

Down
- Akron
- Baton Rouge
- Charleston,SC
- Denver
- El Paso
- Ft.Worth/Arlington
- Greenville/ Spartanburg
- Hartford
- Jacksonville
- Memphis.
- NewHaven/Meridan
- New Orleans
- New York/No. New Jersey/Long Island
- Oklahoma
- Phoenix
- San Antonio
- Tulsa
- Worcester

Up 0.1 - 4.9%
- Albuquerque
- Boston
- Cleveland
- Corpus Christi
- Dallas
- Daytona Beach
- Dayton/ Springfield
- Detroit
- Ft. Lauderdale/ Hollywood/Pompano Beach
- Houston
- Kansas City
- Little Rock/ No. Little Rock
- Milwaukee
- Minneapolis/ St. Paul
- Mobile
- Nashville
- Omaha
- Orlando
- Peoria
- Philadelphia
- Pittsburgh
- Providence
- Salt Lake City/Ogden
- Spokane
- Toledo
- Wichita
- W. Palm Beach

Up 5.0 - 9.9%
- Birmingham
- Buffalo/NiagaraFalls
- Chattanooga
- Chicago
- Cincinnati
- Columbia, SC
- Des Moines
- Grand Rapids
- Knoxville
- Lansing
- Las Vegas
- Lexington/Fayette
- Louisville
- Miami/Hialeah
- Montgomery
- Portland
- St. Louis
- Washington, D.C.

Up 10% or More
- Albany/Schenectady/Troy
- Baltimore
- Columbus, OH
- Indianapolis
- Honolulu
- Los Angeles Area*
- Madison
- Orange County (Anaheim/ Santa Ana)*
- Raleigh/Durham
- Riverside/SanBernardino*
- Rochester
- Sacramento*
- San Diego*
- San Francisco*
- Seattle/Tacoma
- Springfield, MA
- Syracuse
- Tampa/St.Petersburg/ Clearwater

* Provided by the California Association of REALTORS®

UNITED STATES SUMMARY

Year		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
		Existing	New	Existing	New	Existing	New	Existing	New
1983		2,719,000	623,000	1,980,000	304,000	*	*	$70,300	$ 75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,500
1988		3,594,000	677,000	2,160,000	367,000	*	*	89,300	112,500
1988	Apr	3,510,000	677,000	2,780,000	367,000	9.6	6.6	$88,000	$111,000
	May	3,620,000	679,000	2,850,000	370,000	9.4	6.7	89,600	110,000
	Jun	3,800,000	716,000	2,680,000	367,000	8.4	6.3	90,200	111,500
	Jul	3,650,000	701,000	2,520,000	365,000	8.3	6.4	90,700	118,000
	Aug	3,690,000	712,000	2,540,000	363,000	8.2	6.3	91,500	110,000
	Sep	3,650,000	691,000	2,430,000	361,000	7.9	6.5	88,500	116,600
	Oct	3,680,000	718,000	2,400,000	353,000	7.9	6.1	88,900	112,900
	Nov	3,710,000	650,000	2,600,000	364,000	8.5	6.9	88,500	110,400
	Dec	3,920,000	669,000	2,160,000	366,000	6.5	6.7	88,700	121,000
1989	Jan[r]	3,550,000	700,000	2,400,000	369,000	8.1	6.4	$89,700	$113,000
	Feb[r]	3,480,000	624,000	2,450,000	374,000	8.5	7.6	91,900	119,000
	Mar[r]	3,400,000	559,000	2,470,000	374,000	8.7	8.0	92,000	126,000
	Apr[p]	3,360,000	620,000	2,640,000	373,000	9.4	7.5	93,500	117,000

r Revised p Preliminary * not applicable
Source: New home sales data from Census Bureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
1988		3,594,000	673,000	929,000	1,350,000	642,000					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988	Apr	3,510,000	660,000	910,000	1,320,000	620,000	316,000	57,000	90,000	118,000	51,000
	May	3,620,000	690,000	910,000	1,370,000	640,000	343,000	64,000	93,000	126,000	60,000
	Jun	3,800,000	720,000	1,000,000	1,410,000	680,000	379,000	73,000	102,000	133,000	71,000
	Jul	3,650,000	690,000	930,000	1,370,000	660,000	328,000	65,000	85,000	122,000	56,000
	Aug	3,690,000	680,000	930,000	1,400,000	670,000	368,000	73,000	94,000	134,000	66,000
	Sep	3,650,000	650,000	910,000	1,390,000	700,000	315,000	62,000	73,000	114,000	66,000
	Oct	3,680,000	640,000	940,000	1,410,000	690,000	304,000	59,000	73,000	114,000	59,000
	Nov	3,710,000	680,000	940,000	1,410,000	680,000	276,000	46,000	61,000	119,000	50,000
	Dec	3,920,000	700,000	1,010,000	1,500,000	700,000	258,000	44,000	62,000	105,000	48,000
1989	Jan	3,550,000	710,000	930,000	1,310,000	630,000	217,000	40,000	51,000	87,000	38,000
	Feb	3,480,000	600,000	920,000	1,310,000	640,000	223,000	34,000	66,000	83,000	39,000
	Mar[r]	3,400,000	570,000	870,000	1,270,000	670,000	303,000	48,000	81,000	115,000	60,000
	Apr[p]	3,360,000	610,000	890,000	1,270,000	620,000	290,000	49,000	85,000	109,000	49,000

Components may not agree with totals due to rounding.
r Revised p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES
(Billions of Dollars)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
1983		$ 225.9	$ 42.1	$44.6	$ 84.4	$ 53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
1988		405.4	104.6	73.4	136.0	93.3					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988	Apr	$385.0	$102.7	$70.5	$128.8	$ 85.4	$34.7	$ 8.9	$6.9	$11.6	$ 7.0
	May	410.1	108.3	72.1	141.1	92.2	38.8	10.1	7.3	13.0	8.6
	Jun	439.0	114.2	80.9	145.8	100.4	43.7	11.6	8.3	13.8	10.4
	Jul	418.8	108.4	74.9	142.7	96.1	37.6	10.3	6.8	12.7	8.2
	Aug	425.8	110.2	75.4	143.7	99.4	42.4	11.8	7.6	13.7	9.8
	Sep	410.8	99.9	71.0	138.1	104.4	35.4	9.6	5.7	11.3	9.7
	Oct	413.0	100.1	74.1	137.0	102.5	34.2	9.1	5.8	11.0	8.8
	Nov	417.0	103.9	73.6	139.3	101.6	31.0	7.0	4.7	11.8	7.5
	Dec	438.6	106.4	79.6	147.5	104.7	29.9	5.5	4.9	10.2	7.1
1989	Jan	$401.6	$110.4	$73.2	$129.6	$ 94.1	$24.5	$ 6.2	$4.2	$ 8.6	$ 5.7
	Feb	409.7	92.3	74.2	147.3	95.8	26.3	5.2	5.3	9.4	5.8
	Mar[r]	394.9	88.5	70.2	131.4	104.0	35.1	7.4	6.6	11.9	9.2
	Apr[p]	397.5	95.3	71.9	134.6	98.3	34.3	7.7	6.9	11.6	7.7

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES
(Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
		Median					Average (Mean)				
1983		$70,300	$ 72,200	$56,600	$69,200	$ 94,900	$ 83,100	$ 85,400	$62,900	$ 81,500	$111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1988		89,300	143,000	68,400	82,200	124,900	112,800	155,500	78,900	100,800	145,400
1988	Apr	$88,000	$141,000	$67,600	$81,000	$117,700	$109,600	$154,600	$77,300	$ 97,900	$137,700
	May	89,600	144,100	69,000	84,200	123,100	113,300	156,400	78,900	103,000	143,500
	Jun	90,200	147,300	70,000	83,900	127,000	115,400	158,800	81,100	103,600	147,700
	Jul	90,700	144,700	69,400	84,700	125,300	114,700	157,500	80,400	104,100	145,700
	Aug	91,500	148,400	69,800	83,400	126,900	115,400	161,200	81,000	102,400	147,900
	Sep	88,500	141,500	67,500	81,400	128,300	112,600	154,100	77,800	99,600	148,800
	Oct	88,900	144,400	68,000	80,500	130,000	112,300	155,700	79,100	97,100	149,100
	Nov	88,500	140,700	67,400	80,400	130,900	112,400	152,500	78,100	98,700	150,400
	Dec	88,700	143,000	67,700	78,200	128,700	112,000	152,500	79,000	97,800	149,100
1989	Jan	$89,700	$143,800	$67,800	$82,400	$130,700	$113,000	$155,400	$78,700	$ 98,900	$150,000
	Feb	91,900	142,600	69,900	86,700	127,800	117,800	154,100	80,600	112,400	148,500
	Mar[r]	92,000	143,600	69,900	84,000	138,000	116,100	154,500	80,900	103,500	154,900
	Apr[p]	93,500	144,300	70,500	86,100	140,700	118,200	156,400	80,900	106,000	159,000

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS (Percentage Distribution)

Price Class	Apr 1985	Apr 1986	Apr 1987	Apr 1988[r]	Apr 1989[p]
$ 19,999 or under	1.8	1.5	1.4	1.7	1.7
$ 20,000-$ 29,999	3.2	2.3	2.3	2.4	2.5
$ 30,000-$ 39,999	6.3	5.1	4.8	4.9	4.4
$ 40,000-$ 49,999	9.6	8.4	7.5	7.5	6.5
$ 50,000-$ 59,999	11.8	10.6	9.2	8.6	8.3
$ 60,000-$ 69,999	12.2	11.5	10.1	10.0	8.5
$ 70,000-$ 79,999	10.6	10.6	9.6	8.5	8.3
$ 80,000-$ 89,999	9.1	9.0	8.6	8.2	7.7
$ 90,000-$ 99,999	6.2	6.9	6.6	6.6	6.0
$100,000-$119,999	8.5	9.3	9.3	9.1	8.8
$120,000-$159,999	10.9	12.4	13.7	13.8	13.7
$160,000-$199,999	4.6	5.6	7.1	7.7	8.8
$200,000-$249,999	2.3	3.3	4.4	4.6	6.1
$250,000 and over	2.9	3.5	5.5	6.4	8.7
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$74,800	$79,800	$86,000	$88,000	$93,500

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS APRIL 1989[p] (Percentage Distribution)

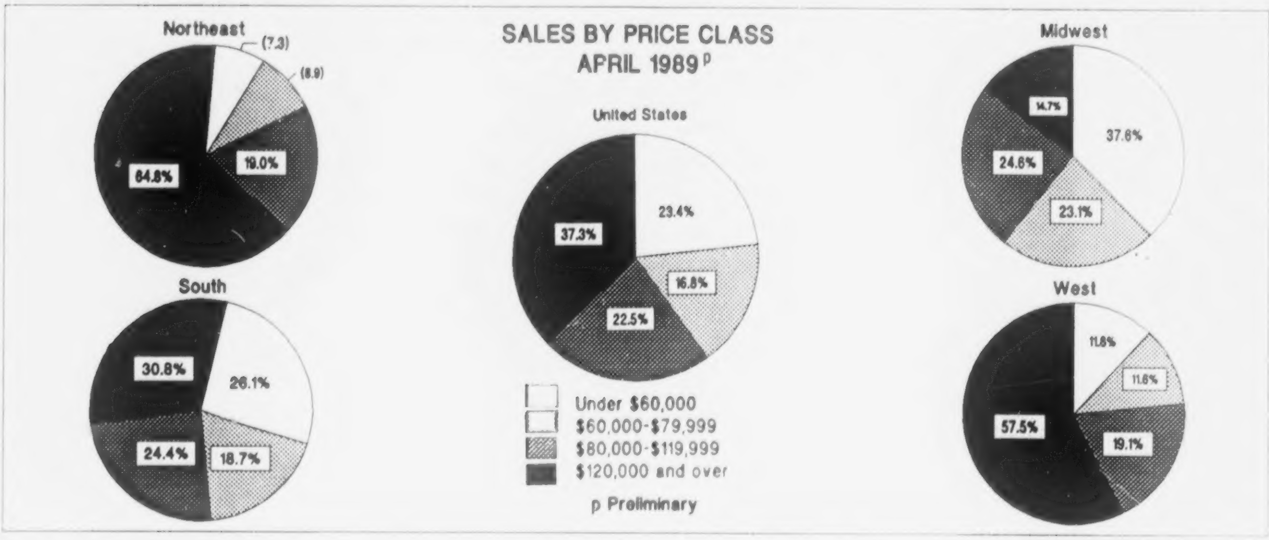
Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	17.1	12.7	19.6	14.2	20.8
3 Bedrooms	54.4	53.2	54.8	57.4	50.0
4 Bedrooms or more	28.5	34.1	25.6	28.5	29.2
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS APRIL 1989[p] (Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	1.7	0.8	3.0	1.5	0.9
$ 20,000 - $ 29,999	2.5	0.6	4.2	2.7	1.0
$ 30,000 - $ 39,999	4.4	1.1	7.3	5.0	1.7
$ 40,000 - $ 49,999	6.5	1.7	10.2	7.6	3.5
$ 50,000 - $ 59,999	8.3	3.1	12.9	9.3	4.7
$ 60,000 - $ 69,999	8.5	4.1	11.8	9.6	5.9
$ 70,000 - $ 79,999	8.3	4.8	11.3	9.1	5.7
$ 80,000 - $ 89,999	7.7	4.8	9.8	8.3	6.0
$ 90,000 - $ 99,999	6.0	4.7	7.0	6.2	5.4
$100,000 - $119,999	8.8	9.5	7.8	9.9	7.7
$120,000 - $159,999	13.7	23.2	8.1	13.9	13.8
$160,000 - $199,999	8.8	17.8	3.2	7.0	12.1
$200,000 - $249,999	6.1	10.5	1.8	4.3	11.6
$250,000 and over	8.7	13.3	1.5	5.6	20.0
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$93,500	$144,300	$70,500	$86,100	$140,700

p Preliminary


SALES BY PRICE CLASS
APRIL 1989[p]

p Preliminary

HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes Composite	Fixed	ARM
1983	$70,300	12.85%	$616	30.1%	$24,580	$29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1988	89,300	9.31	591	22.1	32,100	28,360	113.2	103.3	121.6
1988									
Apr	$88,000	9.21%	$577	22.1%	$31,269	$27,702	112.9	104.6	123.1
May	89,600	9.22	588	22.5	31,373	28,231	111.1	102.6	120.2
Jun	90,200	9.28	595	22.7	31,476	28,570	110.2	100.7	119.4
Jul	90,700	9.32	601	22.8	31,580	28,830	109.5	99.0	118.6
Aug	91,500	9.32	606	22.9	31,684	29,084	108.9	98.1	117.4
Sep	88,500	9.30	585	22.1	31,788	28,081	113.2	101.0	121.5
Oct	88,900	9.41	593	22.3	31,892	28,481	112.0	100.6	120.5
Nov	88,500	9.48	594	22.3	31,996	28,526	112.2	102.8	119.4
Dec	88,700	9.59	601	22.5	32,100	28,864	111.2	103.0	119.3
1989									
Jan	$89,700	9.61%	$609	22.7%	$32,207	$29,240	110.1	101.4	118.3
Feb	91,900	9.78	632	23.5	32,314	30,375	106.4	97.8	113.5
Mar [r]	92,000	9.93	642	23.8	32,421	30,820	105.2	97.8	111.7
Apr [p]	93,500	10.07	660	24.4	32,528	31,694	102.6	95.7	107.9

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Affordability Index	Composite Affordability Index	Affordability GAP (Percent)
1983	$59,800	$5,980	$53,820	12.85%	13.10%	$600	$17,109	$28,799	59.4	83.2	-28.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987	72,700	7,280	65,520	9.28	9.53	552	20,916	26,513	78.9	113.8	-30.7
1988	75,900	7,590	68,310	9.31	9.56	577	21,898	27,714	79.0	113.2	-30.2
1988											
I	$75,300	$7,530	$67,770	9.18%	9.43%	$566	$21,162	$27,187	77.8	112.0	-30.5
II	75,900	7,590	68,310	9.24	9.49	574	21,408	27,547	77.7	111.7	-30.4
III	76,700	7,670	69,030	9.31	9.56	583	21,653	28,006	77.3	111.0	-30.3
IV	75,400	7,540	67,860	9.49	9.74	583	21,898	27,961	78.3	112.2	-30.2
1989											
I [r]	$77,500	$7,750	$69,750	9.77%	10.02%	$613	$22,143	$29,431	75.2	107.2	-29.9

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES (Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1988		357,000	167,000	63,000	87,000	39,000
1988	I	344,000	165,000	57,000	85,000	38,000
	II	414,000	208,000	74,000	83,000	48,000
	III	340,000	154,000	66,000	87,000	33,000
	IV	320,000	138,000	52,000	92,000	38,000
1989	I[r]	357,000	150,000	70,000	94,000	44,000

r Revised

TOTAL EXISTING HOME SALES SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1988		3,951,000	840,000	992,000	1,437,000	681,000
1988	I	3,640,000	820,000	950,000	1,290,000	590,000
	II	4,060,000	900,000	1,010,000	1,450,000	690,000
	III	4,000,000	830,000	990,000	1,470,000	710,000
	IV	4,090,000	810,000	1,020,000	1,530,000	730,000
1989	I[r]	3,840,000	780,000	980,000	1,390,000	690,000

r Revised

MEDIAN SALES PRICE OF APARTMENT CONDOS AND CO-OPS, QUARTERLY (Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1988		83,100	110,600	60,600	64,500	108,900
1988	I	$81,300	$110,100	$57,700	$65,400	$104,200
	II	83,600	110,300	60,600	65,400	107,500
	III	83,300	110,300	61,500	63,500	112,500
	IV	83,500	111,400	61,900	63,900	109,800
1989	I[r]	$83,700	$107,000	$64,300	$67,900	$111,100

r Revised

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
				1988				1989
	1986	1987	1988	I	II	III	IV	I r
Alabama	60.8	59.7	52.6	51.8	51.1	55.1	51.1	51.1
Alaska	6.1	7.7	9.6	8.0	8.3	12.0	10.1	6.2
Arizona	73.8	67.3	64.4	58.0	60.0	69.2	71.2	65.3
Arkansas	52.8	48.2	46.6	40.1	51.2	46.8	47.9	46.2
California*	484.6	507.0	562.8	502.9	566.9	587.4	593.9	615.1
Colorado	47.5	46.7	49.3	40.2	49.9	53.1	50.7	48.3
Connecticut	52.0	52.5	57.1	53.6	59.1	55.4	59.1	56.4
Delaware	12.9	14.0	13.3	12.7	14.1	13.3	13.1	12.2
District of Columbia	11.6	10.5	10.8	10.9	10.4	10.7	11.4	10.0
Florida	169.4	184.2	183.1	173.2	184.2	193.0	179.8	193.0
Georgia	75.1	89.0	84.9	88.8	84.3	76.3	88.3	85.9
Hawaii	10.0	11.5	10.3	10.9	10.5	10.0	9.9	13.4
Idaho	11.3	10.9	11.3	10.9	11.3	11.5	11.5	13.6
Illinois	179.2	175.3	186.5	172.4	180.2	191.8	203.4	197.6
Indiana	86.1	89.8	85.1	85.6	91.9	80.4	81.4	91.9
Iowa	46.1	48.3	54.0	47.2	53.6	57.4	56.8	45.3
Kansas	54.4	54.4	50.6	51.9	49.0	51.9	50.2	48.5
Kentucky	58.6	64.1	67.9	67.9	68.6	69.2	65.4	75.7
Louisiana	34.0	40.4	34.5	32.6	29.6	33.4	42.8	35.7
Maine	30.8	35.2	34.2	32.1	36.3	35.0	31.4	30.5
Maryland	86.9	78.5	86.2	74.7	80.1	89.6	97.1	89.6
Massachusetts	84.6	100.5	93.3	97.9	95.3	92.8	88.4	91.6
Michigan	186.6	169.6	168.6	171.9	177.6	160.6	160.6	194.6
Minnesota	96.8	89.4	82.4	86.3	78.9	79.6	88.6	66.2
Mississippi	34.2	34.2	30.6	28.8	30.4	28.8	33.9	31.6
Missouri	88.4	88.4	83.1	92.4	77.2	82.3	78.2	90.4
Montana	11.9	11.6	11.9	10.3	11.8	12.2	12.8	11.6
Nebraska	25.5	23.3	22.4	24.8	21.0	22.0	23.1	27.2
Nevada	11.0	12.2	12.2	11.4	10.9	13.1	13.6	12.0
New Hampshire	20.3	19.2	15.3	16.1	14.6	15.6	15.0	14.0
New Jersey	159.6	157.3	142.3	155.1	159.6	130.9	122.8	151.5
New Mexico	19.5	20.0	18.6	17.1	20.5	18.5	17.9	20.2
New York	216.8	223.9	213.4	206.8	218.2	216.3	208.7	201.1
North Carolina	139.2	140.6	141.8	134.7	143.3	146.1	141.4	121.4
North Dakota	9.5	11.2	11.2	11.4	11.5	11.2	10.7	13.6
Ohio	179.9	180.9	181.9	185.7	185.7	176.0	181.9	212.8
Oklahoma	49.4	44.6	49.6	45.3	46.8	52.1	52.8	55.1
Oregon	45.0	48.5	53.1	48.7	53.2	55.2	55.8	57.8
Pennsylvania	258.3	259.5	276.5	259.9	267.8	291.6	283.7	253.6
Rhode Island	13.5	13.4	13.8	12.8	15.8	13.4	12.7	14.6
South Carolina	58.0	60.9	63.3	50.9	65.0	70.6	61.7	52.3
South Dakota	13.2	13.0	14.2	14.9	11.5	14.7	16.1	21.8
Tennessee	112.0	111.2	102.6	101.2	102.0	97.2	109.9	112.3
Texas	198.9	224.3	238.5	220.8	229.3	246.3	254.8	240.6
Utah	14.6	14.6	14.3	14.0	14.0	14.3	14.8	13.5
Vermont	12.4	12.9	13.4	13.6	14.4	13.5	11.6	14.1
Virginia	130.4	113.0	113.6	111.4	112.5	113.6	118.0	108.0
Washington	50.6	43.6	48.9	46.2	49.7	51.5	47.1	57.6
West Virginia	39.7	36.6	44.5	56.0	46.5	38.0	36.4	64.2
Wisconsin	76.9	73.3	72.2	66.8	73.8	65.2	81.5	73.8
Wyoming	6.1	6.0	5.8	5.3	6.3	5.9	5.5	6.9

* Provided by the California Association of REALTORS®.

r Revised

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

(Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
	1986	1987	1988	1988				1989
				I	II	III	IV	I[r]
Akron, OH	$ 56.2	$ 57.1	$ 59.9	$ 57.1	$60.1	62.6	58.4	56.0
Albany/Schenectady/Troy, NY	72.7	86.4	92.2	87.0	91.1	92.3	100.1	102.1
Albuquerque, NM	81.6	82.6	80.4	79.7	81.6	83.4	75.8	82.0
Orange County(Anaheim/Santa Ana MSA), CA**	147.7	167.3	206.9	182.7	200.0	217.4	226.4	237.8
Atlanta, GA	n/a	n/a	n/a	n/a	n/a	81.1	80.5	80.3
Baltimore, MD	74.0	81.1	88.7	83.6	87.3	92.3	89.6	92.2
Baton Rouge, LA	70.9	67.8	64.7	65.7	64.5	64.1	64.8	61.1
Birmingham, AL	68.3	71.6	75.7	73.1	76.5	77.3	74.9	77.3
Boston, MA	159.2	177.2	181.2	176.9	182.9	183.8	179.3	117.0
Buffalo/Niagara Falls, NY	52.4	56.7	65.6	64.1	64.8	66.6	67.5	68.7
Charleston, SC	n/a	72.7	73.1	72.6	73.5	74.4	71.3	72.4
Charlotte, NC	n/a	n/a	n/a	n/a	n/a	81.1	80.5	85.2
Chattanooga, TN	55.3	59.0	63.5	61.2	63.2	64.2	64.9	65.6
Chicago, IL	86.1	90.8	98.9	92.8	99.3	100.8	98.4	99.6
Cincinnati, OH	n/a	66.1	69.7	66.7	69.6	71.8	70.2	72.9
Cleveland, OH	66.9	68.1	69.2	66.5	69.9	69.8	69.3	69.4
Columbia, SC	67.2	68.4	69.7	68.3	70.6	70.7	68.7	71.9
Columbus, OH	65.5	68.7	72.6	66.2	73.4	74.5	74.6	73.9
Corpus Christi, TX	66.0	65.9	64.9	63.2	64.8	63.2	66.5	63.2
Dallas, TX	93.2	90.8	90.8	81.9	90.5	88.6	87.0	89.8
Daytona Beach, FL	57.7	60.2	62.6	59.3	63.3	62.7	64.1	59.5
Dayton/Springfield, OH	57.3	59.4	63.3	61.8	63.4	63.8	63.6	64.4
Denver,CO	86.4	88.9	81.8	83.7	83.4	81.1	79.7	80.8
Des Moines, IA	55.9	55.6	55.8	54.5	58.2	55.0	54.8	57.3
Detroit, MI	58.1	65.6	73.1	71.5	72.3	76.4	73.4	71.9
El Paso, TX	59.0	59.2	59.6	57.8	60.5	62.0	58.8	57.2
Ft.Lauderdale/Hollywood/Pompano Beach, FL	77.7	79.6	81.1	78.6	79.2	84.7	81.4	82.1
Ft. Worth, TX	87.9	80.0	73.3	76.0	70.7	73.9	73.6	73.6
Grand Rapids, MI	50.4	53.5	57.9	55.4	58.3	59.0	59.2	59.2
Greenville/Spartanburg, SC	64.3	64.2	65.9	64.1	64.9	68.7	64.5	60.8
Hartford, CT	129.0	157.4	167.6	166.4	169.0	168.8	165.0	165.5
Honolulu, HI	172.0	186.0	215.1	198.4	198.7	226.0	225.0	245.0
Houston, TX	69.9	65.9	61.8	60.2	63.5	65.5	56.8	62.9
Indianapolis, IN	59.0	62.5	66.1	61.8	66.7	67.5	66.6	68.0
Jacksonville, FL	62.8	65.1	67.7	68.9	67.4	67.2	67.9	65.9
Kansas City, MO/KS	65.4	69.8	70.5	70.9	71.9	69.9	69.3	73.8
Knoxville, TN	60.3	65.4	67.0	66.3	65.5	69.1	66.9	69.8
Lansing, MI	52.4	54.5	56.6	53.4	57.8	57.0	56.2	57.9
Las Vegas, NV	77.5	77.0	78.8	75.7	77.9	80.7	80.2	80.5
Lexington/Fayette, KY	67.7	72.5	73.5	69.7	72.7	75.6	75.4	74.9
Little Rock/N. Little Rock, AR	63.2	63.1	63.9	63.0	63.1	65.6	63.8	63.4
Los Angeles Area, CA**	128.8	147.7	179.4	159.1	174.9	189.2	191.1	201.0
Louisville, KY	51.7	51.7	54.5	52.2	54.1	56.0	55.1	56.7
Madison, WI	66.4	69.2	72.0	67.7	71.8	74.2	70.7	74.7
Memphis, TN	70.6	75.0	76.3	77.5	76.8	76.6	74.5	77.0
Miami/Hialeah, FL	81.1	81.1	82.9	78.0	83.5	82.6	84.0	83.0
Milwaukee, WI	69.9	70.5	74.5	72.6	75.3	75.6	73.1	76.0
Minneapolis/St Paul, MN	77.9	80.5	85.2	84.4	84.3	86.0	87.2	85.9
Mobile, AL	52.9	55.6	53.0	50.6	49.7	56.1	55.8	50.9
Montgomery, AL	61.0	64.8	64.5	62.4	65.6	65.3	63.6	66.0
Nashville/Davidson, TN	70.8	75.5	77.6	77.6	78.3	78.1	76.5	79.6
New Haven/Meridan, CT	n/a	156.9	169.4	168.9	168.9	173.5	160.2	166.7
New Orleans, LA	n/a	n/a	73.1	73.0	73.2	74.8	70.9	68.4
NewYork/N. NewJersey/Long Island, NY/NJ/CT	160.6	183.5	183.8	187.0	194.0	192.1	179.8	179.7
Oklahoma City, OK	63.0	62.3	56.2	56.5	56.9	57.9	53.5	52.3
Omaha, NE	58.8	59.0	59.5	58.3	58.7	60.3	59.9	60.9
Orlando, FL	72.5	76.2	79.1	78.7	77.7	81.3	78.1	79.1
Peoria, IL	45.7	46.5	45.0	41.4	46.0	45.8	44.3	42.0
Philadelphia, PA	82.4	97.0	102.4	97.7	101.9	106.5	104.1	104.7
Phoenix, AZ	78.4	80.9	80.0	79.0	79.1	82.3	79.6	78.5
Pittsburgh, PA	n/a	n/a	63.2	60.9	62.2	66.3	62.8	62.4
Portland, OR	62.6	64.2	64.4	62.9	64.9	64.8	64.8	67.1

r Revised

METROPOLITAN AREA DATA (continued):

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

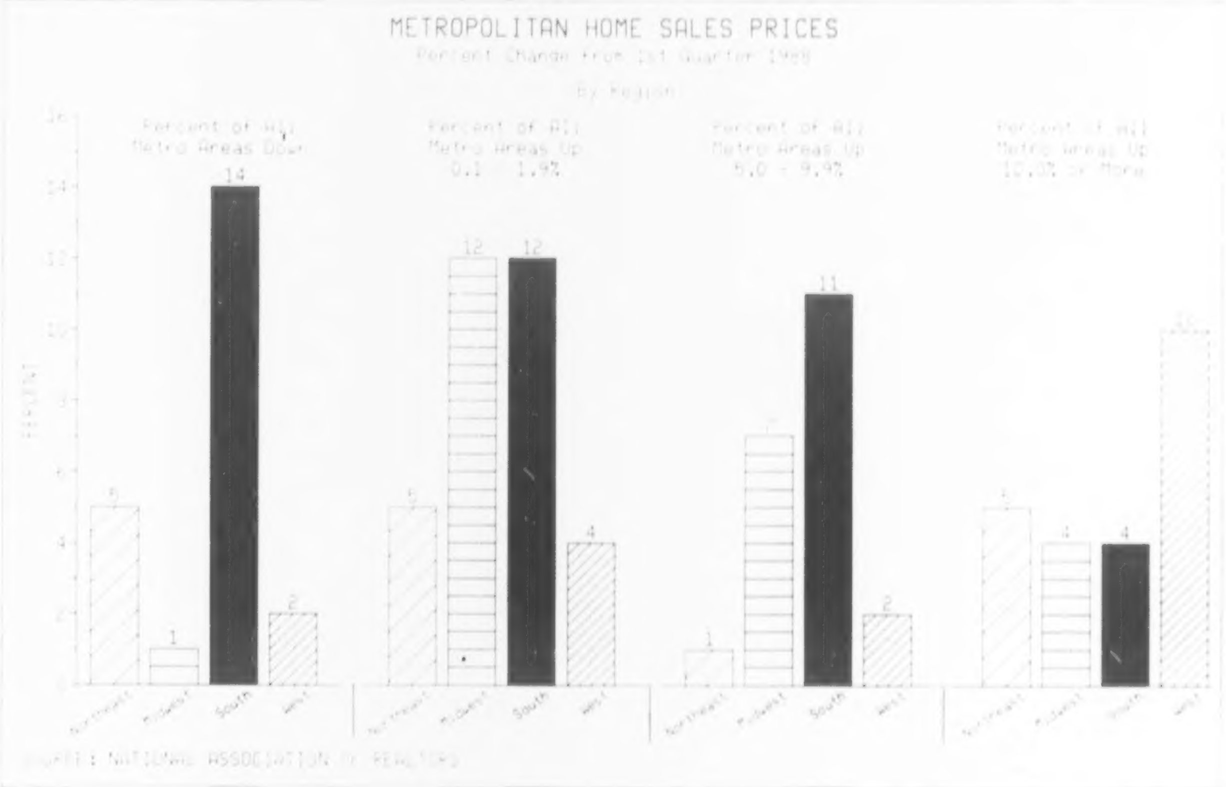
(Not Seasonally Adjusted in Thousands of Dollars)

	Years			Quarters				
				1988				1989
Metropolitan Area	1986	1987	1988	I	II	III	IV	I r
Providence, RI	87.6	121.4	130.6	123.3	130.4	131.9	133.0	128.8
Raleigh/Durham, NC	89.5	98.0	97.0	87.7	99.8	100.0	97.6	102.0
Riverside/San Bernadino, CA**	94.5	96.1	106.7	95.5	104.9	109.6	113.2	116.1
Rochester, NY	68.3	72.5	75.7	73.2	73.7	78.3	76.3	76.4
Sacramento, CA**	n/a	87.5	95.3	88.2	92.3	100.2	97.4	100.3
Salt Lake City/Ogden, UT	68.5	69.4	67.7	65.3	66.9	70.0	67.7	67.8
San Antonio, TX	69.2	70.2	65.0	63.4	65.2	68.2	62.1	61.6
San Diego, CA**	118.2	129.2	147.8	134.4	142.6	152.1	157.2	163.9
San Francisco Bay Area, CA**	161.2	171.3	212.6	185.1	202.8	218.9	232.4	243.9
Seattle/Tacoma, WA	n/a	82.6	88.7	88.2	93.6	89.8	91.9	99.7
Spokane, WA	53.3	51.2	51.1	49.9	52.9	50.9	50.3	50.2
Springfield, MA	87.6	105.2	118.4	113.2	105.8	127.4	121.7	124.4
St. Louis, MO	70.9	74.3	78.1	74.1	79.5	81.1	75.7	81.4
Syracuse, NY	64.3	68.9	74.6	68.1	74.9	75.4	75.9	76.9
Tampa/St.Petersburg/Clearwater, FL	61.1	63.8	65.6	60.2	65.5	67.9	66.2	68.6
Toledo, OH	56.0	56.3	58.4	56.5	59.7	59.9	56.4	57.7
Tulsa, OK	65.5	65.7	65.0	63.5	65.0	65.5	65.3	60.5
Washington, DC/MD/VA	101.6	114.2	132.5	132.4	131.2	135.8	130.1	143.7
W. Palm Beach/Boca Raton/Delray Beach, FL	92.6	102.6	99.0	91.5	94.8	107.4	102.0	94.4
Wichita, KS	n/a	n/a	60.1	57.6	60.3	62.0	59.6	60.4
Worcester, MA	n/a	139.1	147.5	147.8	146.0	153.0	143.1	146.8

n/a Not Available r Revised

* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas.

** Provided by the California Association of REALTORS®.



METROPOLITAN AREA HOUSING AFFORDABILITY
Selected Metropolitan Areas by Major Components, First Quarter: 1989[r]

Metropolitan Area***	Median-Priced Existing Single-Family Home	Mortgage Rate*	Median Family Income	Qualifying Income**	Composite Afford-ability Index
Baltimore, MD	$92,200	9.77	$37,411	$30,470	122.8
Boston, MA	177,000	10.16	43,858	59,948	73.2
Chicago, IL	99,600	9.90	35,737	33,282	107.4
Cleveland, OH	69.400	10.10	35,486	23,584	150.5
Dallas/Ft. Worth, TX	85,200	10.17	41,557	29,123	142.7
Denver, CO	80,800	9.44	39.772	25,954	153.2
Detroit, MI	71,900	10.30	37,645	24,844	151.5
Houston, TX	62,900	10.22	42,563	21,590	197.1
Indianapolis, IN	68,000	10.08	39,147	23,070	169.7
Kansas City, MO/KS	73,800	9.84	35,835	24,535	146.1
Los Angeles Area, CA[#]	201,000	9.31	33,977	63,833	53.2
Miami/Hialeah, FL	83,000	9.45	29,326	26,684	109.9
Milwaukee, WI	76,000	10.22	37,212	26,087	142.6
Minneapolis/St Paul, MN	85,900	9.27	43,191	27,184	158.9
NewYork/N. NewJersey/Long Island, NY/NJ/CT	179,700	9.68	30,346	58,931	51.5
Philadelphia, PA	104,700	10.01	37,296	35,312	105.6
Phoenix, AZ	78,500	9.85	35,287	26,120	135.1
Pittsburgh, PA	62,400	10.31	29,708	21,579	137.7
St. Louis, MO	81,400	9.80	36,896	26,970	136.8
San Diego, CA[#]	163,900	9.14	33,634	51,276	65.6
San Francisco Bay Area, CA[#]	243,900	9.16	42,815	76,440	56.1
Washington, DC/MD/VA	143,700	9.36	50,789	45,836	110.8

r Revised

* Effective rate on loans closed on existing homes - Federal Home Loan Bank Board

** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment

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# Note: The California Association of REALTORS® publishes a housing affordability index for areas within the state which differs significantly from these values because it measures the proportion of households which could theoretically afford to purchase the median price home rather than the ability of a median income family to carry the mortgage. California data is provided for comparison only and is not to replace the currently available measures. The indices are roughly consistent.

HOUSING AFFORDABILITY INDEX FOR METROPOLITAN AREAS

Metropolitan Area*	Years			Quarters				
	1986	1987	1988	1988				1989
				I	II	III	IV	I[r]
Baltimore, MD	125.5	133.8	129.0	135.6	128.8	123.2	128.4	122.8
Boston, MA	69.9	72.6	74.5	75.6	76.4	72.4	73.5	73.2
Chicago, IL	109.9	116.2	110.1	113.6	109.0	108.0	109.9	107.4
Cleveland, OH	140.0	152.7	154.0	154.7	154.6	154.3	152.5	150.5
Dallas/Ft. Worth, TX	117.7	132.5	143.2	140.3	143.2	141.9	147.3	142.7
Denver, CO	122.4	127.0	143.8	136.7	139.2	144.9	154.3	153.2
Detroit, MI	166.7	166.5	154.3	159.3	155.9	149.9	152.3	151.5
Houston, TX	150.9	182.5	199.8	199.6	196.3	184.2	219.1	197.1
Indianapolis, IN	161.1	176.4	177.3	188.1	178.1	172.6	170.6	169.7
Kansas City, MO/KS	147.2	149.5	157.2	159.2	156.8	156.5	156.2	146.1
Los Angeles Area, CA[#]	69.5	72.9	61.2	68.2	61.6	58.2	56.8	53.2
Miami/Hialeah, FL	94.3	108.8	113.4	117.5	111.2	112.9	111.9	109.9
Milwaukee, WI	147.6	162.1	149.3	147.8	148.4	149.2	151.9	142.6
Minneapolis/St. Paul, MN	148.4	164.1	156.7	162.9	159.4	159.9	144.6	158.9
New York/N. New Jersey/Long Island, NY/NJ/CT	49.3	50.4	50.6	50.4	49.3	49.8	53.0	51.5
Philadelphia, PA	112.4	110.3	108.9	113.4	110.6	105.5	106.2	105.6
Phoenix, AZ	117.9	130.6	134.7	134.8	137.0	133.5	133.7	135.1
Pittsburgh, PA	n/a	n/a	144.6	148.0	152.3	138.5	139.5	137.7
St. Louis, MO	137.4	147.3	150.0	161.9	144.7	143.1	150.2	136.8
San Diego, CA[#]	77.2	83.9	72.2	68.6	78.8	73.1	68.3	65.6
San Francisco Bay Area, CA[#]	69.9	76.8	69.0	77.2	71.2	66.4	61.2	56.1
Washington, DC/MD/VA	126.4	129.2	119.0	117.1	120.2	117.1	121.7	110.8

r Revised

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# Note: The California Association of REALTORS® publishes a housing affordability index for areas within the state which differs significantly from these values because it measures the proportion of households which could theoretically afford to purchase the median price home rather than the ability of a median income family to carry the mortgage. California data is provided for comparision only and is not to replace the currently available measures. The indices are roughly consistent.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Thousands of Units)

Year		Total	In structures with – – 1 unit	2 to 4 units	5 units or more	Regions Northeast	Midwest	South	West
1983		1,703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
1988		1,488	1,080	59	349	235	274	574	404
			Seasonally Adjusted Annual Rates						
1988	Apr	1,576	1,087	58	431	260	344	595	377
	May	1,392	1,001	53	338	202	267	562	361
	Jun	1,463	1,088	62	313	238	262	585	378
	Jul	1,478	1,067	50	361	255	283	566	374
	Aug	1,459	1,076	59	324	217	239	573	430
	Sep	1,463	1,039	62	362	206	258	576	423
	Oct	1,532	1,136	63	333	198	273	582	479
	Nov	1,567	1,138	68	361	219	275	613	460
	Dec	1,577	1,141	65	371	201	343	609	424
1989	Jan	1,678	1,199	66	413	293	313	642	430
	Feb^r	1,465	1,029	62	374	224	273	572	396
	Mar^r	1,399	986	51	362	153	306	551	389
	Apr^p	1,361	1,036	68	257	208	277	529	347

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW ONE-FAMILY HOUSES SOLD
(Thousands of houses sold during period)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987		671	117	97	271	186					
1988		677	102	97	275	202					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988	Apr	677	109	93	287	188	68	10	10	28	19
	May	679	101	93	290	194	64	10	10	27	18
	Jun	716	114	93	286	223	65	11	8	25	20
	Jul	701	104	93	283	221	57	9	8	23	17
	Aug	712	100	98	300	214	59	8	9	25	17
	Sep	691	86	99	261	245	54	7	8	21	18
	Oct	718	96	111	274	238	57	8	9	20	19
	Nov	650	65	104	254	227	43	5	7	17	15
	Dec	669	109	94	263	204	42	7	5	17	12
1989	Jan^r	700	121	106	265	207	52	8	6	21	17
	Feb^r	624	87	107	232	199	51	6	8	20	17
	Mar^r	559	116	103	193	147	58	11	10	20	15
	Apr^p	620	96	96	234	193	63	8	10	23	21

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF APRIL
(Percentage Distribution)

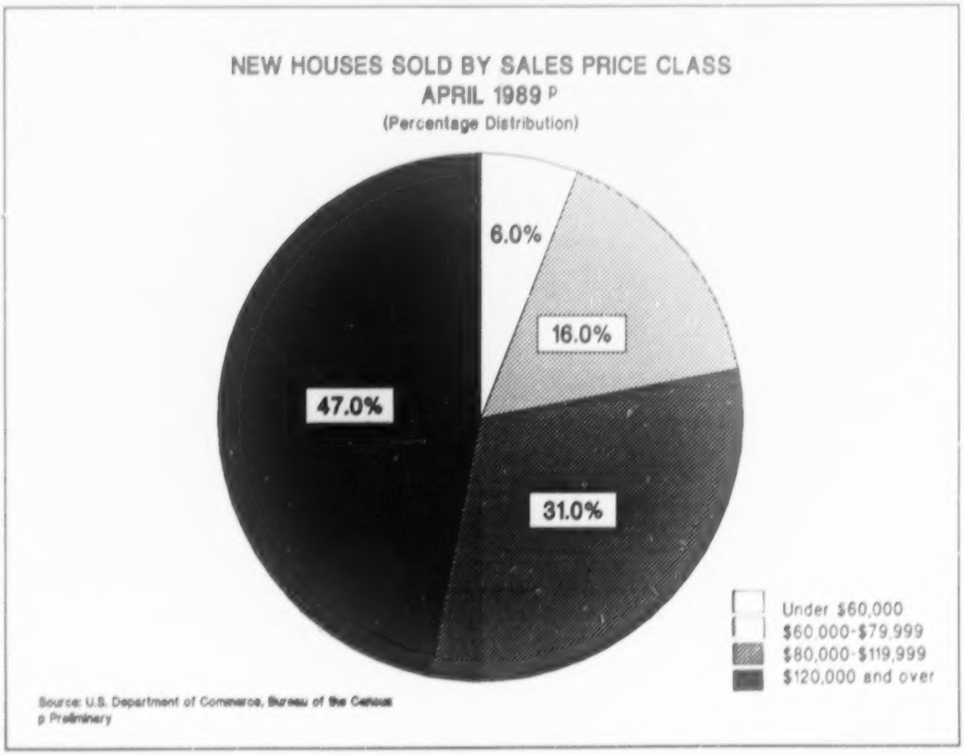
Price Class	Apr 1985	Apr 1986	Apr 1987	Apr 1988^r	Apr 1989^p
Under $60,000	15	10	10	9	6
$60,000 to $79,999	28	24	21	17	16
$80,000 to $99,999	19	26	22	17	17
$100,000 to $119,999	11	12	11	12	14
$120,000 to $149,999	11	10	14	16	16
$150,000 and over	16	18	22	29	31
Median Sales Price	$85,600	$92,500	$96,500	$111,000	$117,000

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
FIRST QUARTER 1989^p
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	8	*	12	16	*
$60,000 to $79,999	14	*	20	21	8
$80,000 to $119,999	28	19	27	33	27
$120,000 and over	50	81	40	30	65
Median Sales Price	$119,00	$186,200	$101,000	$90,900	$137,000

* Insufficient Sample Size
p Preliminary
Source: Census Bureau, U.S. Department of Commerce.


NEW HOUSES SOLD BY SALES PRICE CLASS
APRIL 1989 ^{p}
(Percentage Distribution)

Source: U.S. Department of Commerce, Bureau of the Census
p Preliminary

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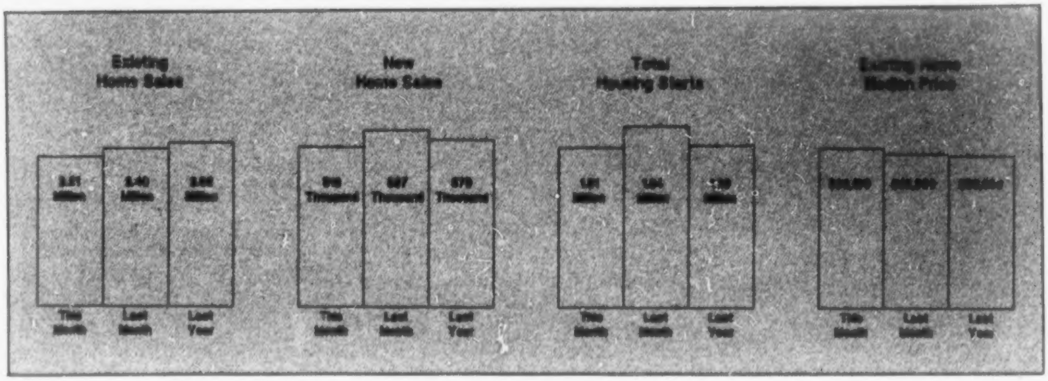
Vol. 3, No. 6

June 1989

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Housing markets were mixed in May as existing and new home markets continued to move in opposite directions. Resale volume drifted lower for the second straight month as existing home sales fell 5.6 percent to a seasonally adjusted annual rate of 3,210,000 units. By contrast, the new home market posted a 2.7 percent gain to an annualized rate of 613,000 units.
- The total inventory of unsold existing and new homes available for sale slipped 3.1 percent to 2,922,000 units. This decrease was largely attributable to a 100,000 unit decrease in the supply of existing homes on the market. The months' supply of available homes rose to 9.5 months for existing and dropped marginally to 7.7 months for new homes.
- Total private housing starts fell 2.1 percent to a new 12-month low of 1,311,000 on a seasonally adjusted annual rate basis. Construction of single-unit structures dropped 4.6 percent to an annualized rate of 980,000 units, while structures with five or more units rebounded 14.9 percent from last month's 12-month low.
- The median price of an existing single-family home increased for the sixth straight month to reach a new high of $93,100. This was 3.9 percent above May of last year. The new home median price also posted a new high when it jumped 7.8 percent to $125,000, 13.6 percent above a year ago.
- Rising mortgage interest rates dealt another blow to the Housing Affordability Index in May. The index fell 3.1 points to 100.1 for the sixth straight monthly decline.

NATIONAL ASSOCIATION
OF REALTORS®

REALTOR®

The Voice for Real Estate™

SURVEY DESCRIPTION

Publication

1. Home Sales is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage

2. Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 450 Boards of REALTORS® and multiple listing systems across the country. In 1988, data on over 1,140,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions

4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows:

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH
Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST
Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST
Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	.14	South	.35
Midwest	.28	West	.23

Sales Volume

6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant 'blow-up' factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report 'closings'. To the extent 'closings' are contained in this series, they introduce a 'distributive lag' effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price

10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a standard home. Prices are influenced by changes in cost and changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are not seasonally adjusted.

Seasonal Adjustment

13. Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading-day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium/cooperative sales and state home sales are based on quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

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A New Look At An Old Problem

Repeatedly since this commentary began roughly a year and a half ago, attention has focused on the affordability of housing. Release of an updated State of the Nation's Housing by the Joint Center for Housing Studies at Harvard encourages me to revisit this crucial topic.

Clearly, an active housing resale (and new construction) market depends on an ample supply of ready, willing, and able buyers. The fact that homeownership rates have declined, not only for a cross section of the population, but also for the core first-time homebuyer groups (younger married couples with children), clearly illustrates that a large segment of the population is ready to buy, at least demographically.

They are also willing to buy. Time and again it has been pointed out that a key to the American dream, held by owners and renters alike, is owning your own home. They understand that homeownership has been the key to asset or wealth accumulation over the last 15-20 years, but even without that appreciation they want to own because it represents a lifestyle which is preferred because it allows more freedom and privacy. That freedom covers a broad range of personal choices including the ability to paint rooms the color you want, while the privacy typically includes a small yard and the ability to make more noise without disturbing the neighbors.

Once again the crucial issue is whether they are able to buy. Increasingly the evidence points to their inability to cross this threshhold. Is it a question of this younger generation not having the discipline to forego consumer goods in order to save, or are the costs of necessities the primary factor? While there are of course examples of this "Me Generation" who have given up on long-term objectives to pursue short-term gratification, the evidence is that the real cost of rental housing has increased, forcing households to spend an increasing share of their income on housing, in turn making it far more difficult for them to save toward a downpayment.

Make no mistake about it, the lack of sufficient downpaymnet is a primary roadblock in the way of homeownership for many young households. The purchase of a starter home, currently a median price of $77,500, will entail a downpayment of $7,750 at 10 percent down or $3,875 if a 95 percent loan can be arranged. However, the median net wealth of young adult renter household last year was $4,831, including their car, furniture, etc. The liquid assets of those households were only $2,159, well below the required downpayment. The difficulties these potential homebuyers face are obvious, and magnified by the realization that the downpayment numbers do not include closing costs, which may double the cash required at settlement.

Analysts at the Joint Center broke young renter households into four groups based on their ability to make a downpayment on a starter home and their ability to carry the resulting mortgage. In this analysis they assumed a 20 percent downpayment would be required. They concluded that 57.0 percent of young renter households had neither the assets nor the income to afford the home purchase, whil 11.5 percent had both the assets and the income. Most significantly, 24.2 percent had the income to carry the mortgage, but not the downpaymnet, while a surprising 7.3 percent could make the downpayment, but could not manage the monthly carrying costs.

Clearly lower downpayments will make it easier for more households to qualify for their first home purchase, but will not totally eliminate the problems of housing affordability for first-time buyers. The point is not lost that lower downpayments mean that mortgage amounts increase, and the income required to carry those mortgages must also increase.

Affordable housing is clearly in short supply for both homeowners and renters. Current and prospective future homeowners alike must be aware that the rental affordability problems will make it increasingly difficult for first-time buyers to accumulate the requisite downpayment, and without first-time buyers in the market, current owners will find it increasingly difficult to sell their current home, slowing their quest to move up to a larger or more luxurious home. While these problems may be most apparent today in the high-cost areas along the coasts, housing affordability is an issue in communities large and small in all parts of the country.

Glenn E. Crellin
Division Vice President

MAY HOUSING MARKETS

Existing home sales volume slipped another notch in May while new home sales edged upward for the second straight month. During May, existing home sales fell 5.6 percent to a seasonally adjusted annual rate of 3,210,000 units, 11.3 percent below the same month a year ago. By contrast, new home sales increased for the second month in a row to a seasonally adjusted annual rate of 613,000 units after hitting a 12-month low of 547,000 units in March.

As could be expected, the resale housing market has been vulnerable to the Federal Reserve Board's attempt to dampen economic activity and inflation by boosting interest rates. This action has translated to a rise in the effective mortgage interest rate which began to escalate last fall when the rate was in the 9.40 percent range. Since then, it has climbed to 10.46 percent in May. Over the same period, after hitting a 12-month high of 3,920,000 in December, marginal buyers have withdrawn from the market and sales have fallen sharply to the current level of 3,210,000 units.

When viewed on a regional basis, month-to-month comparisons show existing home sales were weak across the board. The Midwest region, where the impact of rising mortgage interest rates was compounded by a slowdown in the auto industry, posted the sharpest decrease with sales falling 10.1 percent to 800,000 units on a seasonally adjusted rate basis. The West posted the next steepest drop as sales fell 8.1 percent to an annualized rate of 570,000 units. Activity in the Northeast and South slipped 3.3 percent to 590,000 units and 3.9 percent to 1,230,000 transactions, respectively. The overall weakness of the market in May becomes more impressive when we note all regions posted year-to-year declines in the 10.0 percent to 14.0 percent range.

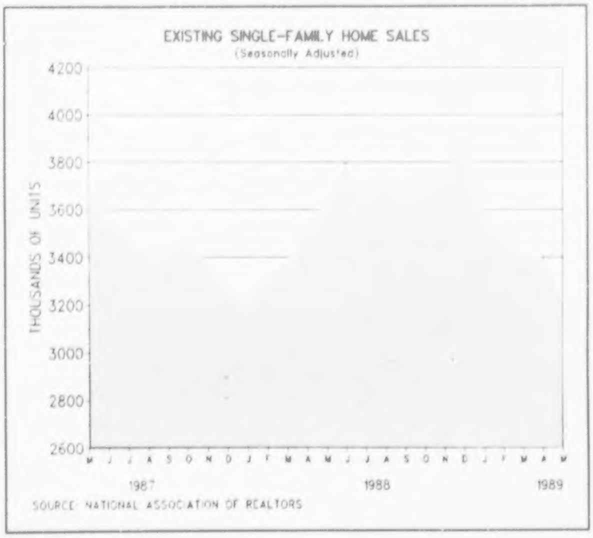
The increase in new home sales can be attributed to a pick-up in activity in three of the four regions. Most noteworthy was a 12.6 percent month-to-month jump in sales in the Northeast to 98,000 units on a seasonally adjusted annual rate basis. After an abrupt slowdown of sales in that region in the latter part of 1988, sales in the first 5 months of 1989 have improved in spite of the higher interest rates.

Sales in the other two regions also advanced with the South reporting a 2.6 percent monthly increase to a seasonally adjusted annual rate of 234,000 units and the West posting a 7.7 percent gain to 197,000 units. By contrast, sales in the Midwest tumbled 15.3 percent to a new 12-month low of 83,000 units.

Inventory Available for Sale

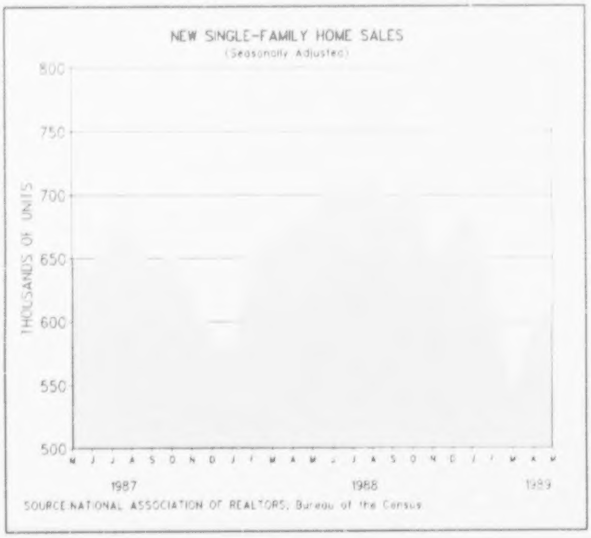
The total number of homes available for sale in May slipped 3.1 percent to 2,922,000 units. During the period, the inventory of existing homes available for sale decreased by 100,000 units to 2,540,000 as the ranks of potential sellers thinned down somewhat. By contrast the supply of new homes on the market expanded as new homes being completed outpaced sales by 5,000 units to a total inventory of 377,000 units.

When put in terms of months' supply of housing the supply of existing homes rose modestly to 9.5 months while the supply of new homes declined marginally to 7.7 months.



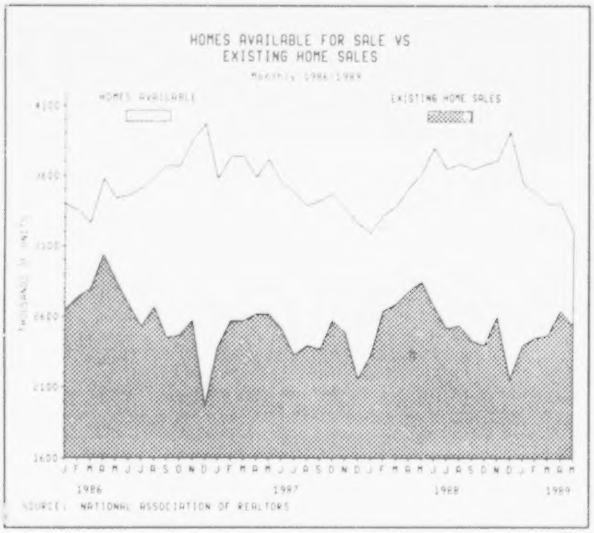
EXISTING SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS



NEW SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

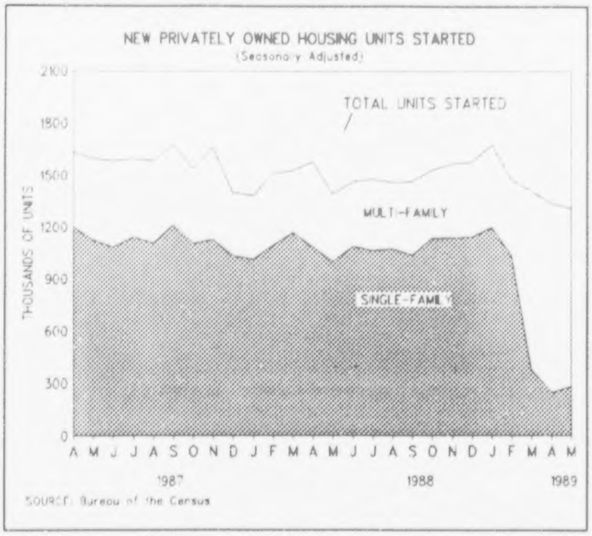
SOURCE: NATIONAL ASSOCIATION OF REALTORS; Bureau of the Census

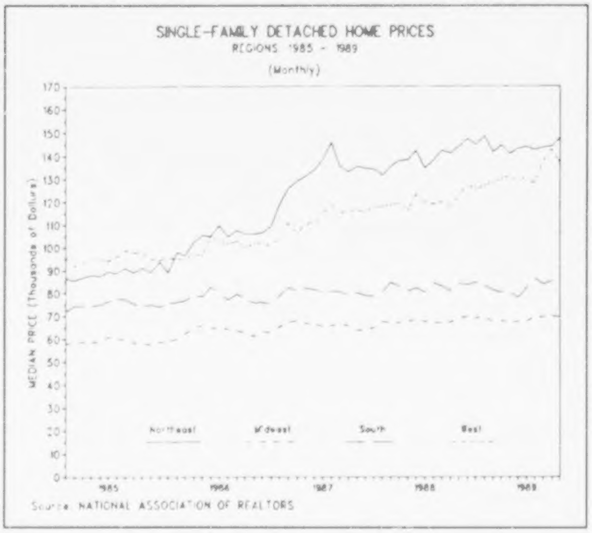


Housing Construction

Total new privately owned housing starts decreased for the fourth straight month as builders, struggling to adjust to changing demand, reduced the level of housing construction to a new 12-month low. Total housing starts slipped 2.1 percent in May to a seasonally adjusted annual rate of 1,311,000 units, 5.8 percent below the level of May 1988.

Construction of new one-unit structures fell 4.6 percent to 980,000 units, a shade below the 12-month low set in March. The only positive feature could be found in a 14.9 percent month-to-month increase in multi-family construction (buildings with 5 units or more) where there was a 37,000 unit increase to 285,000 units. This gain softened the impact of the drop in single-family construction on total housing starts for the month.



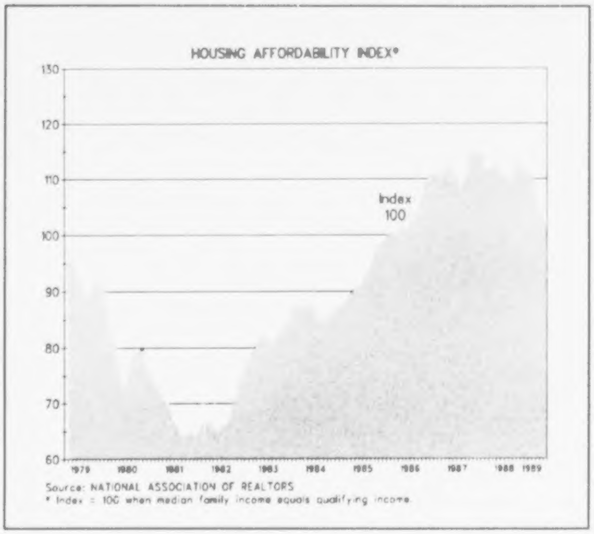


Regional comparisons turn up some sharp contrasts. After a rebound last month, housing starts turned weaker in the Northeast, falling 9.7 percent to a seasonally adjusted annual rate of 186,000 units. New construction in the Midwest was unchanged from last month at 269,000 units while the South reported a modest 1.7 percent decrease to 516,000 units. The West rebounded 7.4 from last month's 12-month low to a seasonally adjusted annual rate of 364,000 units.

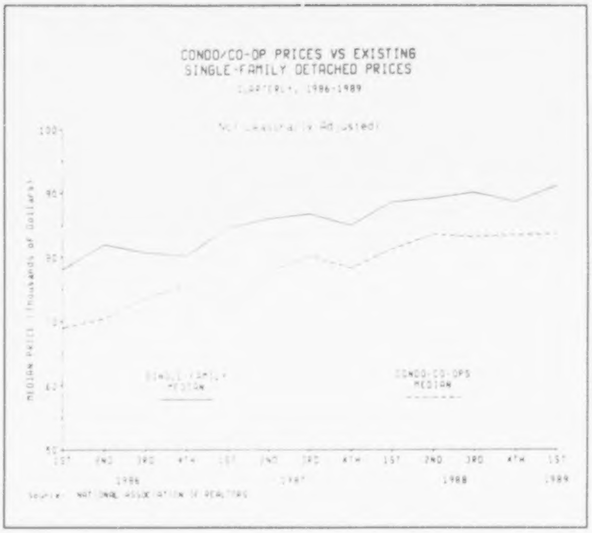
Home Sales Prices

Home sales prices continued to climb into new high ground in May. The median price of an existing single-family home increased a modest $200 to $93,100, 3.9 percent above May of last year. The median price of a new single-family home posted a hefty $9,000 gain to $125,000. This was 13.6 percent above a year ago and $1,000 above the previous high set in March of this year. The overall market may have slowed but it appears that upscale housing continues to dominate.

Month-to-month price behavior varied across the regions with two regions up and two down while the more meaningful year-to-year comparisons pointed upward in all four regions. After languishing for several months, prices in the Northeast seem to be strengthening. In May the median price in the Northeast increased $3,500 to $147,500, 2.4 percent above a year ago and within easy reach of the all-time high of $148,400 set in August, 1988. Prices in the Midwest still appear to be on a plateau with the May median down $800 to $69,600, about one percent above a year ago. The month-to-month change was also small in the South, up $400 to $85,600 and 1.7 above last year's level of $84,200. After two successive strong months, prices in the West weakened this month when the median price retreated $6,400 to $136,300, but still 10.7 percent above May, 1988.



Source: NATIONAL ASSOCIATION OF REALTORS
* Index = 100 when median family income equals qualifying income.



Source: NATIONAL ASSOCIATION OF REALTORS

Resale Housing Affordability

Housing affordability has been adversly affected again by the Federal Reserve Board's anti-inflation policy. This month's 38 basis point rise in the effective interest rate was clearly the culprit in driving the Housing Affordability Index down to its lowest level since May 1986. In May the Housing Affordability Index dropped to 100.1 from 103.2 the month before.

At its present level, the affordability index means that the family earning the median family income of $32,644 has 100.1 percent of the income required to marginally qualify for a conventional mortgage covering 80 percent prevailing mortgage interest rates.

Needless to say, rising interest rates further strain the first-time homebuyer's finances and limit his or her access to the ranks of homeownership.

In the first quarter of 1989 the First-time Homebuyer Affordability Index stood at 75.2, meaning that the typical renter family in their prime homebuyer years (ages 25-44) had 75.2 percent of the income required to marginally qualify for a mortgage on a typically priced starter home, assuming a downpayment of just 10 percent.

Condominium/Cooperative Resales

Total apartment condominium/cooperative resale activity picked up in the first quarter of 1989 as sales increased 11.6 percent from the first quarter to a seasonally adjusted annual rate of 357,000 units. This was 3.8 percent above the same quarter of a year ago, but below the second quarter.

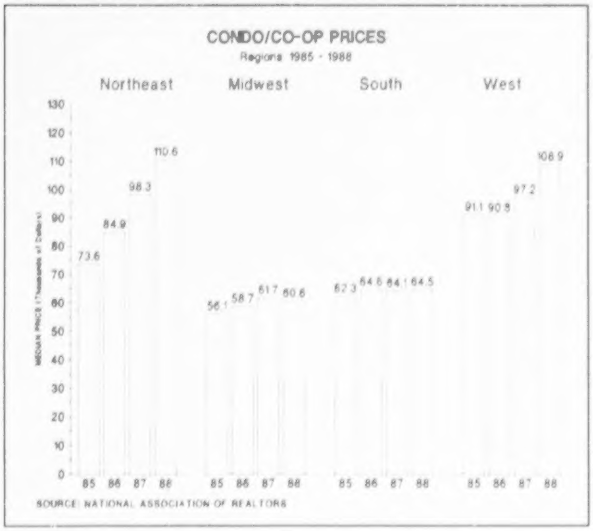
When viewed on a regional basis the gains in activity were broad with all four regions reporting quarter-to-quarter increases and three of the four regions reporting year-to-year increases--the exception being the Northeast. In the Northeast, sales were at a seasonally adjusted annual rate of 150,000 units, up 8.7 percent from the previous quarter which had been extremely slow, but down 9.1 percent from the same quarter of a year ago attesting to the sluggish demand there. In the Midwest, quarterly sales volume was 70,000 units, up 34.6 percent and 22.8 percent above a year ago. In the South, sales activity reached 94,000 units, up 2.2 percent from the previous quarter and 10.6 percent above a year ago. Volume in the West was at a 44,000 pace, 15.8 percent from the prior period and 15.8 percent from the year ago pace.

Condominium/cooperative prices resembled the pattern set by sales volume. That is, with the exception of the Northeast region prices were higher on both a quarter-to-quarter and year-to-year basis.

Nationally, condo and co-op prices were up marginally to $83,700, 3.0 percent above the same quarter of a year ago. When viewed on a regional basis, the market slowdown in the Northeast was reflected in a 3.9 percent quarter-to-quarter decrease to $107,000, 2.8 percent below last year's level. Prices in the Midwest and South were at new high levels with the Midwest registering a 3.9 percent increase to $64,300, up 11.4 percent from the same period last year, and the South up 6.3 percent to $67,900, 3.8 percent above a year ago. While prices in the West advanced a more modest 1.2 percent to $111,100, they were still up 6.6 percent from the same quarter last year.

Total Home Resales

On a national basis, total existing single-family home sales including condos and co-ops decreased moderately in the first quarter of 1989, after hitting an all time high in the last quarter of 1988. Overall volume fell 6.1 percent to a seasonally adjusted annual rate of 3,840,000 units compared to 4,090,000 units in the previous quarter. Despite this decline, volume was still 5.5 percent higher than the same quarter a year ago.



SOURCE: NATIONAL ASSOCIATION OF REALTORS

The quarter-to-quarter slowdown in overall home sales (including condos and co-ops) was shared by all regions. The Northeast recorded a 3.7 percent dip to a sales rate of 780,000 units this quarter, its third straight quarterly decline and verfication of the softening housing market in that region.

While the West registered a quarter-to-quarter decrease of 5.5 percent to an annualized rate of 690,000 units, year-to-year comparisions point to a robust increase of 16.9 percent, consistent with the economic activity in that region.

Overall volume was weakest in the South where sales fell 9.2 percent to a seasonally adjusted annual rate of 1,390,000 units, after reaching an all time high of 1,530,000 units during the fourth quarter of 1988.

Total home sales in the Midwest slid to a seasonally adjusted annual rate of 980,000 units, down 3.9 percent from the previous quarter but still 3.2 percent above the year ago number.

State Resale Market

Quarterly comparisons of state sales data verify the decline in total home sales this quarter. Twenty-six states and the District of Columbia reported fewer sales this quarter, nine of which posted a decline in sales activity of 10 percent or more. Alaska experienced the steepest quarter-to-quarter decline, 38.6 percent. Minnesota was next with a 25.3 percent decrease.

Comparisons with the same quarter of last year show that eighteen states reported a drop in sales. Once again, the most severe declines were felt in Minnesota and Alaska (down 23.3 and 22.5 percent respectively).

The ten states with the most sales volume accounted for 56 percent of the country's total home sales. California reported a 615,100 sales rate in the first quarter 1989, representing 14.5 percent of all home sales. Pennsylvania accounted for 6 percent of total sales, followed by: Texas (5.7%), Ohio (5.0%), New York (4.7%), Illinois (4.7%), Michigan (4.6%), Florida (4.6%), New Jersey (3.6%), and Tennessee (2.9%).

While home sales in both New Jersey and Missouri experienced a respective 2.3 and 2.2 percent drop in sales volume from a year ago, they still posted respective 23.4 and 15.6 percent increases in unit sales between this quarter and the previous quarter, indicating a pick-up of home sales activity in those states.

Total home sales volume in Massachusetts declined 6.4 percent from a year ago but showed signs of recovery, increasing 3.6 percent from the previous quarter to a seasonally adjusted annual rate of 91,600 units.

Sixty-five percent of the states comprising the South experienced a decline in the number of unit sales from the previous quarter. Louisiana, down 16.6 percent, reported the greatest percent decrease, while homes sold in South Carolina and North Carolina fell 15.2 and 14.1 percent, respectively.

Metropolitan Home Sale Prices

Of the nineteen metropolitan areas comprising the Midwest, only Akron reported a lower quarterly median home price, down a modest 1.9 percent from a year ago. Cleveland has experienced relatively little price movement, subsequent to a 5.1 percent price increase between the first and second quarter in 1988, hovering in the $69,000 range. The median home price in Peoria has decreased for three successive quarters to where it now has the lowest median price in our sample. Columbus, Madison, and Indianapolis all reported annual price increases of over 10 percent, reaching 11.6, 10.5, and 10.0 percent, respectively.

Metropolitan areas in the Northeast were more equally divided in price movement. The median home price in the Buffalo area continues in an upward trend, increasing more than 7 percent from the first quarter of 1988. The median home price in Providence, Rhode Island increased 4.5 percent from a year ago, but fell 4.2 from the previous quarter.

The Pacific Northwest coastal states also participated in the general price escalation along the West Coast. Both Oregon and Washington are benefitting from foreign investment with Washington's economy getting strong support from the huge backlog of orders for commercial airplanes at Boeing Aircraft.

The median home price in the Seattle/Tacoma area has jumped 8.5 percent from the previous quarter to a new high of $99,700. This was 13.0 percent above the same quarter last year.

While overall prices have been higher in the South in the first quarter, some areas are doing much better than others, particularly where new Japanese auto assembly plants are located. Those showing noteworthy strength are Knoxville, Tennessee, up 4.3 percent from the previous quarter to $69,800 and 5.3 percent above a year ago. Louisville, Kentucky was another strong area with sales up 2.9 percent to $56,700 for the quarter, 8.6 percent above a year ago.

Halvor M. Juul
Director of Surveys

Ann E. Mulvaney
Research Economist

State Home Resales: First Quarter 1989
(Percent Change from 4th Quarter 1988)

Down 10% or More

- Alaska
- District of Columbia
- Iowa
- Louisiana
- Minnesota
- Nevada
- North Carolina
- Pennsylvania
- South Carolina

Down 0.1 - 9.9%

- Arizona
- Arkansas
- Colorado
- Connecticut
- Delaware
- Georgia
- Illinois
- Kansas
- Maine
- Maryland
- Missippi
- Montana
- New Hampshire
- New York
- Texas
- Utah
- Virginia
- Wisconsin

Up 0.1 - 9.9%

- Alabama
- California
- Florida
- Massachusetts
- Oklahoma
- Oregon
- Tennessee

Up 10% or More

- Hawaii
- Idaho
- Indiana
- Kentucky
- Michigan
- Missouri
- Nebraska
- New Jersey
- New Mexicco
- North Dakota
- Ohio
- Rhode Island
- South Dakota
- Vermont
- Washington
- West Virginia
- Wyoming

Metropolitan Home Sales Price
(Change from 1st Quarter 1988)

Down

- Akron
- Baton Rouge
- Charleston,SC
- Denver
- El Paso
- Ft.Worth/Arlington
- Greenville/Spartanburg
- Hartford
- Jacksonville
- Memphis.
- NewHaven/Meridan
- New Orleans
- New York/No. New Jersey/Long Island
- Oklahoma
- Phoenix
- San Antonio
- Tulsa
- Worcester

Up 0.1 - 4.9%

- Albuquerque
- Boston
- Cleveland
- Corpus Christi
- Dallas
- Daytona Beach
- Dayton/Springfield
- Detroit
- Ft. Lauderdale/Hollywood/PompanoBeach
- Houston
- Kansas City
- Little Rock/No. Little Rock
- Milwaukee
- Minneapolis/St. Paul
- Mobile
- Nashville
- Omaha
- Orlando
- Peoria
- Philadelphia
- Pittsburgh
- Providence
- Salt Lake City/Ogden
- Spokane
- Toledo
- Wichita
- W. Palm Beach

Up 5.0 - 9.9%

- Birmingham
- Buffalo/NiagaraFalls
- Chattanooga
- Chicago
- Cincinnati
- Columbia, SC
- Des Moines
- Grand Rapids
- Knoxville
- Lansing
- Las Vegas
- Lexington/Fayette
- Louisville
- Miami/Hialeah
- Montgomery
- Portland
- St. Louis
- Washington, D.C.

Up 10% or More

- Albany/Schenectady/Troy
- Baltimore
- Columbus, OH
- Indianapolis
- Honolulu
- Los Angeles Area*
- Madison
- Orange County (Anaheim/Santa Ana)*
- Raleigh/Durham
- Riverside/SanBernardino*
- Rochester
- Sacramento*
- San Diego*
- San Francisco*
- Seattle/Tacoma
- Springfield, MA
- Syracuse
- Tampa/St.Petersburg/Clearwater

* Provided by the California Association of REALTORS®

UNITED STATES SUMMARY

Year		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
		Existing	New	Existing	New	Existing	New	Existing	New
1983		2,719,000	623,000	1,980,000	304,000	*	*	$70,300	$ 75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,500
1988		3,594,000	677,000	2,160,000	367,000	*	*	89,300	112,500
1988	May	3,620,000	679,000	2,850,000	370,000	9.4	6.7	$89,600	$110,000
	Jun	3,800,000	716,000	2,680,000	367,000	8.4	6.3	90,200	111,500
	Jul	3,650,000	701,000	2,520,000	365,000	8.3	6.4	90,700	118,000
	Aug	3,690,000	712,000	2,540,000	363,000	8.2	6.3	91,500	110,000
	Sep	3,650,000	691,000	2,430,000	361,000	7.9	6.5	88,500	116,600
	Oct	3,680,000	718,000	2,400,000	353,000	7.9	6.1	88,900	112,900
	Nov	3,710,000	650,000	2,600,000	364,000	8.5	6.9	88,500	110,400
	Dec	3,920,000	669,000	2,160,000	366,000	6.5	6.7	88,700	121,000
1989	Jan	3,550,000	700,000	2,400,000	369,000	8.1	6.4	$89,700	$113,000
	Feb^r	3,480,000	621,000	2,450,000	375,000	8.5	7.6	91,900	118,000
	Mar^r	3,400,000	547,000	2,470,000	377,000	8.7	8.2	92,000	124,000
	Apr^r	3,400,000	597,000	2,640,000	377,000	9.3	7.8	92,900	116,000
	May^p	3,210,000	613,000	2,540,000	382,000	9.5	7.7	93,100	125,000

r Revised p Preliminary * not applicable
Source: New home sales data from Census Bureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
1988		3,594,000	673,000	929,000	1,350,000	642,000					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988	May	3,620,000	690,000	910,000	1,370,000	640,000	343,000	64,000	93,000	126,000	60,000
	Jun	3,800,000	720,000	1,000,000	1,410,000	680,000	379,000	73,000	102,000	133,000	71,000
	Jul	3,650,000	690,000	930,000	1,370,000	660,000	328,000	65,000	85,000	122,000	56,000
	Aug	3,690,000	680,000	930,000	1,400,000	670,000	368,000	73,000	94,000	134,000	66,000
	Sep	3,650,000	650,000	910,000	1,390,000	700,000	315,000	62,000	73,000	114,000	66,000
	Oct	3,680,000	640,000	940,000	1,410,000	690,000	304,000	59,000	73,000	114,000	59,000
	Nov	3,710,000	680,000	940,000	1,410,000	680,000	276,000	46,000	61,000	119,000	50,000
	Dec	3,920,000	700,000	1,010,000	1,500,000	700,000	258,000	44,000	62,000	105,000	48,000
1989	Jan	3,550,000	710,000	930,000	1,310,000	630,000	217,000	40,000	51,000	87,000	38,000
	Feb	3,480,000	600,000	920,000	1,310,000	640,000	223,000	34,000	66,000	83,000	39,000
	Mar	3,400,000	570,000	870,000	1,270,000	670,000	303,000	48,000	81,000	115,000	60,000
	Apr^r	3,400,000	610,000	890,000	1,280,000	620,000	293,000	49,000	85,000	110,000	49,000
	May^p	3,210,000	590,000	800,000	1,230,000	570,000	315,000	58,000	85,000	118,000	55,000

Components may not agree with totals due to rounding.
r Revised p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES
(Billions of Dollars)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		$ 225.9	$ 42.1	$44.6	$ 84.4	$ 53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
1988		405.4	104.6	73.4	136.0	93.3					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988	May	$410.1	$108.3	$72.1	$141.1	$ 92.2	$38.8	$10.1	$7.3	$13.0	$ 8.6
	Jun	439.0	114.2	80.9	145.8	100.4	43.7	11.6	8.3	13.8	10.4
	Jul	418.8	108.4	74.9	142.7	96.1	37.6	10.3	6.8	12.7	8.2
	Aug	425.8	110.2	75.4	143.7	99.4	42.4	11.8	7.6	13.7	9.8
	Sep	410.8	99.9	71.0	138.1	104.4	35.4	9.6	5.7	11.3	9.7
	Oct	413.0	100.1	74.1	137.0	102.5	34.2	9.1	5.8	11.0	8.8
	Nov	417.0	103.9	73.6	139.3	101.6	31.0	7.0	4.7	11.8	7.5
	Dec	438.6	106.4	79.6	147.5	104.7	29.9	5.5	4.9	10.2	7.1
1989	Jan	$401.6	$110.4	$73.2	$129.6	$ 94.1	$24.5	$6.2	$4.2	$ 8.6	$ 5.7
	Feb	409.7	92.3	74.2	147.3	95.8	26.3	5.2	5.3	9.4	5.8
	Mar	394.9	88.5	70.2	131.4	104.0	35.1	7.4	6.6	11.9	9.2
	Apr[r]	401.4	95.3	71.9	134.4	99.3	34.6	7.7	6.9	11.6	7.8
	May[p]	377.5	94.2	64.8	129.8	89.3	37.1	9.2	6.8	12.5	8.6

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES
(Not Seasonally Adjusted)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
		Median					Average(Mean)				
1983		$70,300	$ 72,200	$56,600	$69,200	$ 94,900	$ 83,100	$ 85,400	$62,900	$ 81,500	$111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1988		89,300	143,000	68,400	82,200	124,900	112,800	155,500	78,900	100,800	145,400
1988	May	$89,600	$144,100	$69,000	$84,200	$123,100	$113,300	$156,400	$78,900	$103,000	$143,500
	Jun	90,200	147,300	70,000	83,900	127,000	115,400	158,800	81,100	103,600	147,700
	Jul	90,700	144,700	69,400	84,700	125,300	114,700	157,500	80,400	104,100	145,700
	Aug	91,500	148,400	69,800	83,400	126,900	115,400	161,200	81,000	102,400	147,900
	Sep	88,500	141,500	67,500	81,400	128,300	112,600	154,100	77,800	99,600	148,800
	Oct	88,900	144,400	68,000	80,500	130,000	112,300	155,700	79,100	97,100	149,100
	Nov	88,500	140,700	67,400	80,400	130,900	112,400	152,500	78,100	98,700	150,400
	Dec	88,700	143,000	67,700	78,200	128,700	112,000	152,500	79,000	97,800	149,100
1989	Jan	$89,700	$143,800	$67,800	$82,400	$130,700	$113,000	$155,400	$78,700	$ 98,900	$150,000
	Feb	91,900	142,600	69,900	86,700	127,800	117,800	154,100	80,600	112,400	148,500
	Mar	92,000	143,600	69,900	84,000	138,000	116,100	154,500	80,900	103,500	154,900
	Apr[r]	92,900	144,000	70,400	85,200	142,700	118,000	156,400	80,900	104,700	160,500
	May[p]	93,100	147,500	69,600	85,600	136,300	117,600	158,700	80,600	105,600	155,500

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS (Percentage Distribution)

Price Class	May 1985	May 1986	May 1987	May 1988 r	May 1989 p
$ 19,999 or under	1.7	1.3	1.3	1.8	1.9
$ 20,000-$ 29,999	3.1	2.2	2.2	2.3	2.5
$ 30,000-$ 39,999	6.4	4.8	4.6	4.9	4.4
$ 40,000-$ 49,999	9.5	7.9	7.4	7.4	6.6
$ 50,000-$ 59,999	11.6	10.2	9.4	8.5	8.0
$ 60,000-$ 69,999	11.9	10.7	10.4	9.0	8.4
$ 70,000-$ 79,999	10.8	10.1	9.5	9.0	8.7
$ 80,000-$ 89,999	9.0	8.7	8.5	8.3	7.6
$ 90,000-$ 99,999	6.5	6.7	6.6	6.0	6.1
$100,000-$119,999	8.7	9.6	9.1	8.9	8.7
$120,000-$159,999	10.9	13.3	13.5	13.4	13.8
$160,000-$199,999	4.5	6.4	6.9	8.0	8.5
$200,000-$249,999	2.4	3.6	4.5	5.1	6.2
$250,000 and over	3.0	4.5	6.1	7.4	8.6
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$75,200	$83,200	$86,000	$89,600	$93,100

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS MAY 1989p (Percentage Distribution)

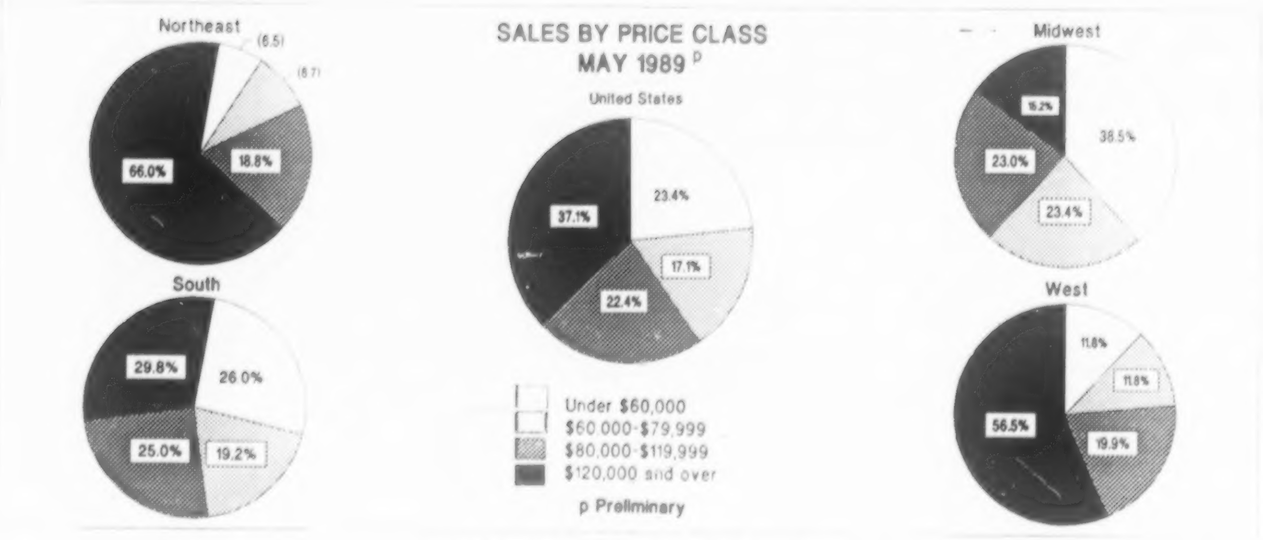
Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	17.4	16.1	19.9	14.6	20.3
3 Bedrooms	53.7	48.2	55.7	57.1	48.5
4 Bedrooms or more	28.9	35.8	24.4	28.3	31.2
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS MAY 1989p (Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	1.9	1.6	3.2	1.6	0.8
$ 20,000 - $ 29,999	2.5	0.6	4.4	2.7	1.0
$ 30,000 - $ 39,999	4.4	0.7	8.1	4.6	2.1
$ 40,000 - $ 49,999	6.6	1.2	10.7	7.6	3.4
$ 50,000 - $ 59,999	8.0	2.4	12.1	9.5	4.5
$ 60,000 - $ 69,999	8.4	3.5	12.0	9.4	5.8
$ 70,000 - $ 79,999	8.7	5.2	11.4	9.8	6.0
$ 80,000 - $ 89,999	7.6	4.8	9.2	8.4	6.1
$ 90,000 - $ 99,999	6.1	4.7	6.1	7.1	5.5
$100,000 - $119,999	8.7	9.3	7.7	9.5	8.3
$120,000 - $159,999	13.8	22.9	8.6	13.1	14.7
$160,000 - $199,999	8.5	17.5	3.2	6.6	12.1
$200,000 - $249,999	6.2	11.6	1.6	4.3	11.5
$250,000 and over	8.6	14.0	1.8	5.8	18.2
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$93,100	$147,500	$69,800	$85,600	$136,300

p Preliminary


SALES BY PRICE CLASS
MAY 1989 p

p Preliminary

HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes Composite	Fixed	ARM
1983	$70,300	12.85%	$616	30.1%	$24,580	$29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1988	89,300	9.31	591	22.1	32,100	28,360	113.2	103.3	121.6
1988									
May	$89,600	9.22%	$588	22.5%	$31,373	$28,231	111.1	102.6	120.2
Jun	90,200	9.28	595	22.7	31,476	28,570	110.2	100.7	119.4
Jul	90,700	9.32	601	22.8	31,580	28,830	109.5	99.0	118.6
Aug	91,500	9.32	606	22.9	31,684	29,084	108.9	98.1	117.4
Sep	88,500	9.30	585	22.1	31,788	28,081	113.2	101.0	121.5
Oct	88,900	9.41	593	22.3	31,892	28,481	112.0	100.6	120.5
Nov	88,500	9.48	594	22.3	31,996	28,526	112.2	102.8	119.4
Dec	88,700	9.59	601	22.5	32,100	28,864	111.2	103.0	119.3
1989									
Jan	$89,700	9.61%	$609	22.7%	$32,207	$29,240	110.1	101.4	118.3
Feb	91,900	9.78	632	23.5	32,314	30,375	106.4	97.8	113.5
Mar	92,000	9.93	642	23.8	32,421	30,820	105.2	97.8	111.7
Apr r	92,900	10.08	657	24.2	32,528	31,517	103.2	96.4	109.1
May p	93,100	10.46	679	25.0	32,644	32,595	100.1	94.6	105.9

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Affordability Index	Composite Affordability Index	Affordability GAP (Percent)
1983	$59,800	$5,980	$53,820	12.85%	13.10%	$600	$17,109	$28,799	59.4	83.2	-28.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987	72,700	7,280	65,520	9.28	9.53	552	20,916	26,513	78.9	113.8	-30.7
1988	75,900	7,590	68,310	9.31	9.56	577	21,898	27,714	79.0	113.2	-30.2
1988											
I	$75,300	$7,530	$67,770	9.18%	9.43%	$566	$21,162	$27,187	77.8	112.0	-30.5
II	75,900	7,590	68,310	9.24	9.49	574	21,408	27,547	77.7	111.7	-30.4
III	76,700	7,670	69,030	9.31	9.56	583	21,653	28,006	77.3	111.0	-30.3
IV	75,400	7,540	67,860	9.49	9.74	583	21,898	27,961	78.3	112.2	-30.2
1989											
I	$77,500	$7,750	$69,750	9.77%	10.02%	$613	$22,143	$29,431	75.2	107.2	-29.9

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES
(Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1988		357,000	167,000	63,000	87,000	39,000
1988	I	344,000	165,000	57,000	85,000	38,000
	II	414,000	208,000	74,000	83,000	48,000
	III	340,000	154,000	66,000	87,000	33,000
	IV	320,000	138,000	52,000	92,000	38,000
1989	I	357,000	150,000	70,000	94,000	44,000

TOTAL EXISTING HOME SALES
SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS
(Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1988		3,951,000	840,000	992,000	1,437,000	681,000
1988	I	3,640,000	820,000	950,000	1,290,000	590,000
	II	4,060,000	900,000	1,010,000	1,450,000	690,000
	III	4,000,000	830,000	990,000	1,470,000	710,000
	IV	4,090,000	810,000	1,020,000	1,530,000	730,000
1989	I	3,840,000	780,000	980,000	1,390,000	690,000

MEDIAN SALES PRICE OF APARTMENT CONDOS AND CO-OPS, QUARTERLY
(Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1988		83,100	110,600	60,600	64,500	108,900
1988	I	$81,300	$110,100	$57,700	$65,400	$104,200
	II	83,600	110,300	60,600	65,400	107,500
	III	83,300	110,300	61,500	63,500	112,500
	IV	83,500	111,400	61,900	63,900	109,800
1989	I	$83,700	$107,000	$64,300	$67,900	$111,100

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
				1988				1989
	1986	1987	1988	I	II	III	IV	I
Alabama	60.8	59.7	52.6	51.8	51.1	55.1	51.1	51.1
Alaska	6.1	7.7	9.6	8.0	8.3	12.0	10.1	6.2
Arizona	73.8	67.3	64.4	58.0	60.0	69.2	71.2	65.3
Arkansas	52.8	48.2	46.6	40.1	51.2	46.8	47.9	46.2
California*	484.6	507.0	562.8	502.9	566.9	587.4	593.9	615.1
Colorado	47.5	46.7	49.3	40.2	49.9	53.1	50.7	48.3
Connecticut	52.0	52.5	57.1	53.6	59.1	55.4	59.1	56.4
Delaware	12.9	14.0	13.3	12.7	14.1	13.3	13.1	12.2
District of Columbia	11.6	10.5	10.8	10.9	10.4	10.7	11.4	10.0
Florida	169.4	184.2	183.1	173.2	184.2	193.0	179.8	193.0
Georgia	75.1	89.0	84.9	88.8	84.3	76.3	88.3	85.9
Hawaii	10.0	11.5	10.3	10.9	10.5	10.0	9.9	13.4
Idaho	11.3	10.9	11.3	10.9	11.3	11.5	11.5	13.6
Illinois	179.2	175.3	186.5	172.4	180.2	191.8	203.4	197.6
Indiana	86.1	89.8	85.1	85.6	91.9	80.4	81.4	91.9
Iowa	46.1	48.3	54.0	47.2	53.6	57.4	56.8	45.3
Kansas	54.4	54.4	50.6	51.9	49.0	51.9	50.2	48.5
Kentucky	58.6	64.1	67.9	67.9	68.6	69.2	65.4	75.7
Louisiana	34.0	40.4	34.5	32.6	29.6	33.4	42.8	35.7
Maine	30.8	35.2	34.2	32.1	36.3	35.0	31.4	30.5
Maryland	86.9	78.5	86.2	74.7	80.1	89.6	97.1	89.6
Massachusetts	84.6	100.5	93.3	97.9	95.3	92.8	88.4	91.6
Michigan	186.6	169.6	168.6	171.9	177.6	160.6	160.6	194.6
Minnesota	96.8	89.4	82.4	86.3	78.9	79.6	88.6	66.2
Mississippi	34.2	34.2	30.6	28.8	30.4	28.8	33.9	31.6
Missouri	88.4	88.4	83.1	92.4	77.2	82.3	78.2	90.4
Montana	11.9	11.6	11.9	10.3	11.8	12.2	12.8	11.6
Nebraska	25.5	23.3	22.4	24.8	21.0	22.0	23.1	27.2
Nevada	11.0	12.2	12.2	11.4	10.9	13.1	13.6	12.0
New Hampshire	20.3	19.2	15.3	16.1	14.6	15.6	15.0	14.0
New Jersey	159.6	157.3	142.3	155.1	159.6	130.9	122.8	151.5
New Mexico	19.5	20.0	18.6	17.1	20.5	18.5	17.9	20.2
New York	216.8	223.9	213.4	206.8	218.2	216.3	208.7	201.1
North Carolina	139.2	140.6	141.8	134.7	143.3	146.1	141.4	121.4
North Dakota	9.5	11.2	11.2	11.4	11.5	11.2	10.7	13.6
Ohio	179.9	180.9	181.9	185.7	185.7	176.0	181.9	212.8
Oklahoma	49.4	44.6	49.6	45.3	46.8	52.1	52.8	55.1
Oregon	45.0	48.5	53.1	48.7	53.2	55.2	55.8	57.8
Pennsylvania	258.3	259.5	276.5	259.9	267.8	291.6	283.7	253.6
Rhode Island	13.5	13.4	13.8	12.8	15.8	13.4	12.7	14.6
South Carolina	58.0	60.9	63.3	50.9	65.0	70.6	61.7	52.3
South Dakota	13.2	13.0	14.2	14.9	11.5	14.7	16.1	21.8
Tennessee	112.0	111.2	102.6	101.2	102.0	97.2	109.9	112.3
Texas	198.9	224.3	238.5	220.8	229.3	246.3	254.8	240.6
Utah	14.6	14.6	14.3	14.0	14.0	14.3	14.8	13.5
Vermont	12.4	12.9	13.4	13.6	14.4	13.5	11.6	14.1
Virginia	130.4	113.0	113.6	111.4	112.5	113.6	118.0	108.0
Washington	50.6	43.6	48.9	46.2	49.7	51.5	47.1	57.6
West Virginia	39.7	36.6	44.5	56.0	46.5	38.0	36.4	64.2
Wisconsin	76.9	73.3	72.2	66.8	73.8	65.2	81.5	73.8
Wyoming	6.1	6.0	5.8	5.3	6.3	5.9	5.5	6.9

* Provided by the California Association of REALTORS®.

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

(Not Seasonally Adjusted in Thousands of Dollars)

	Years			Quarters				
				1988				1989
Metropolitan Area	1986	1987	1988	I	II	III	IV	I
Akron, OH	$ 56.2	$ 57.1	$ 59.9	$ 57.1	$60.1	62.6	58.4	56.0
Albany/Schenectady/Troy, NY	72.7	86.4	92.2	87.0	91.1	92.3	100.1	102.1
Albuquerque, NM	81.6	82.6	80.4	79.7	81.6	83.4	75.8	82.0
Orange County(Anaheim/Santa Ana MSA), CA**	147.7	167.3	206.9	182.7	200.0	217.4	226.4	237.8
Atlanta, GA	n/a	n/a	n/a	n/a	n/a	81.1	80.5	80.3
Baltimore, MD	74.0	81.1	88.7	83.6	87.3	92.3	89.6	92.2
Baton Rouge, LA	70.9	67.8	64.7	65.7	64.5	64.1	64.8	61.1
Birmingham, AL	68.3	71.6	75.7	73.1	76.5	77.3	74.9	77.3
Boston, MA	159.2	177.2	181.2	176.9	182.9	183.8	179.3	177.0
Buffalo/Niagara Falls, NY	52.4	56.7	65.6	64.1	64.8	66.6	67.5	68.7
Charleston, SC	n/a	72.7	73.1	72.6	73.5	74.4	71.3	72.4
Charlotte, NC	n/a	n/a	n/a	n/a	n/a	81.1	80.5	85.2
Chattanooga, TN	55.3	59.0	63.5	61.2	63.2	64.2	64.9	65.6
Chicago, IL	86.1	90.8	98.9	92.8	99.3	100.8	98.4	99.6
Cincinnati, OH	n/a	66.1	69.7	66.7	69.6	71.8	70.2	72.9
Cleveland, OH	66.9	68.1	69.2	66.5	69.9	69.8	69.3	69.4
Columbia, SC	67.2	68.4	69.7	68.3	70.6	70.7	68.7	71.9
Columbus, OH	65.5	68.7	72.6	66.2	73.4	74.5	74.6	73.9
Corpus Christi, TX	66.0	65.9	64.9	63.2	64.8	63.2	66.5	63.2
Dallas, TX	93.2	90.8	90.8	81.9	90.5	88.6	87.0	89.8
Daytona Beach, FL	57.7	60.2	62.6	59.3	63.3	62.7	64.1	59.5
Dayton/Springfield, OH	57.3	59.4	63.3	61.8	63.4	63.8	63.6	64.4
Denver,CO	86.4	88.9	81.8	83.7	83.4	81.1	79.7	80.8
Des Moines, IA	55.9	55.6	55.8	54.5	58.2	55.0	54.8	57.3
Detroit, MI	58.1	65.6	73.1	71.5	72.3	76.4	73.4	71.9
El Paso, TX	59.0	59.2	59.6	57.8	60.5	62.0	58.8	57.2
Ft.Lauderdale/Hollywood/Pompano Beach, FL	77.7	79.6	81.1	78.6	79.2	84.7	81.4	82.1
Ft. Worth, TX	87.9	80.0	73.3	76.0	70.7	73.9	73.6	73.6
Grand Rapids, MI	50.4	53.5	57.9	55.4	58.3	59.0	59.2	59.2
Greenville/Spartanburg, SC	64.3	64.2	65.9	64.1	64.9	68.7	64.5	60.8
Hartford, CT	129.0	157.4	167.6	166.4	169.0	168.8	165.0	165.5
Honolulu, HI	172.0	186.0	215.1	198.4	198.7	226.0	225.0	245.0
Houston, TX	69.9	65.9	61.8	60.2	63.5	65.5	56.8	62.9
Indianapolis, IN	59.0	62.5	66.1	61.8	66.7	67.5	66.6	68.0
Jacksonville, FL	62.8	65.1	67.7	68.9	67.4	67.2	67.9	65.9
Kansas City, MO/KS	65.4	69.8	70.5	70.9	71.9	69.9	69.3	73.8
Knoxville, TN	60.3	65.4	67.0	66.3	65.5	69.1	66.9	69.8
Lansing, MI	52.4	54.5	56.6	53.4	57.8	57.0	56.2	57.9
Las Vegas, NV	77.5	77.0	78.8	75.7	77.9	80.7	80.2	80.5
Lexington/Fayette, KY	67.7	72.5	73.5	69.7	72.7	75.6	75.4	74.9
Little Rock/N. Little Rock, AR	63.2	63.1	63.9	63.0	63.1	65.6	63.8	63.4
Los Angeles Area, CA**	128.8	147.7	179.4	159.1	174.9	189.2	191.1	201.0
Louisville, KY	51.7	51.7	54.5	52.2	54.1	56.0	55.1	56.7
Madison, WI	66.4	69.2	72.0	67.7	71.8	74.2	70.7	74.7
Memphis, TN	70.6	75.0	76.3	77.5	76.8	76.6	74.5	77.0
Miami/Hialeah, FL	81.1	81.1	82.9	78.0	83.5	82.6	84.0	83.0
Milwaukee, WI	69.9	70.5	74.5	72.6	75.3	75.6	73.1	76.0
Minneapolis/St Paul, MN	77.9	80.5	85.2	84.4	84.3	86.0	87.2	35.9
Mobile, AL	52.9	55.6	53.0	50.6	49.7	56.1	55.8	50.9
Montgomery, AL	61.0	64.8	64.5	62.4	65.6	65.3	63.6	66.0
Nashville/Davidson, TN	70.8	75.5	77.6	77.6	78.3	78.1	76.5	79.6
New Haven/Meridan, CT	n/a	156.9	169.4	168.9	168.9	173.5	160.2	166.7
New Orleans, LA	n/a	n/a	73.1	73.0	73.2	74.8	70.9	68.4
NewYork/N. NewJersey/Long Island, NY/NJ/CT	160.6	183.5	183.8	187.0	194.0	192.1	179.8	179.7
Oklahoma City, OK	63.0	62.3	56.2	56.5	56.9	57.9	53.5	52.3
Omaha, NE	58.8	59.0	59.5	58.3	58.7	60.3	59.9	60.9
Orlando, FL	72.5	76.2	79.1	78.7	77.7	81.3	78.1	79.1
Peoria, IL	45.7	46.5	45.0	41.4	46.0	45.8	44.3	42.0
Philadelphia, PA	82.4	97.0	102.4	97.7	101.9	106.5	104.1	104.7
Phoenix, AZ	78.4	80.9	80.0	79.0	79.1	82.3	79.6	78.5
Pittsburgh, PA	n/a	n/a	63.2	60.9	62.2	66.3	62.8	62.4
Portland, OR	62.6	64.2	64.4	62.9	64.9	64.8	64.8	67.1

METROPOLITAN AREA DATA (continued):

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

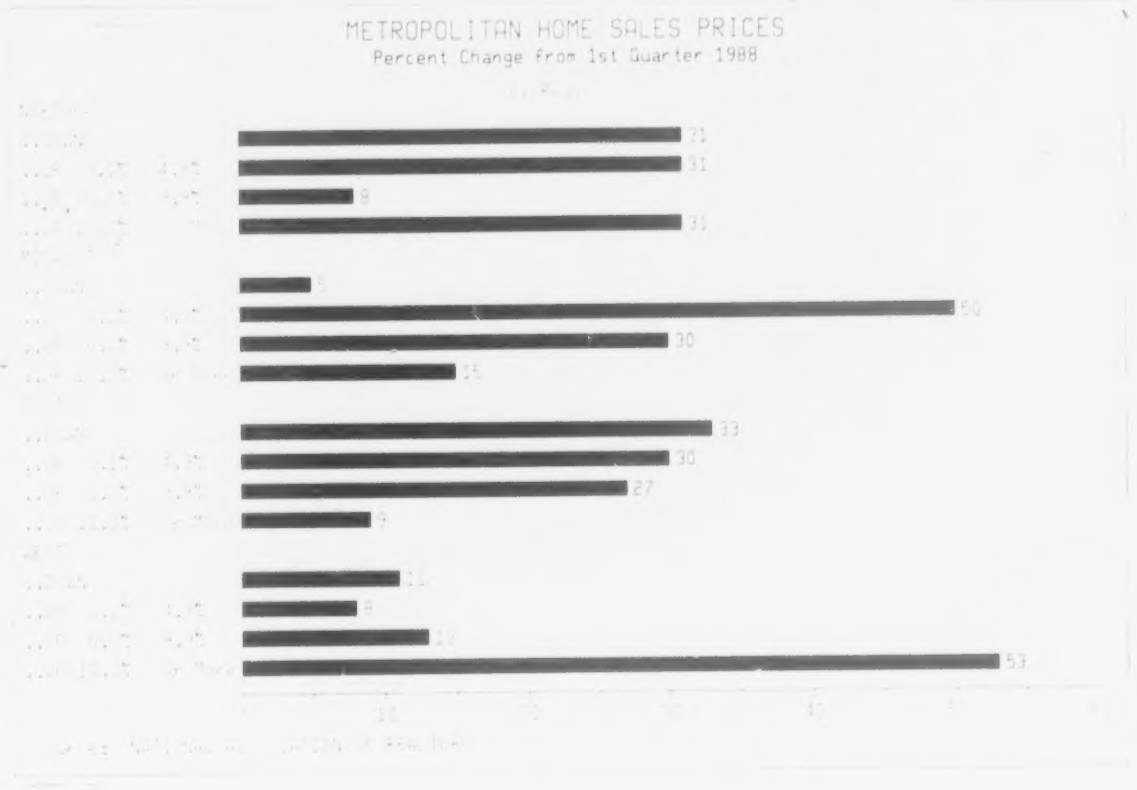
(Not Seasonally Adjusted in Thousands of Dollars)

	Years			Quarters				
				1988				1989
Metropolitan Area	1986	1987	1988	I	II	III	IV	I
Providence, RI	87.6	121.4	130.6	123.3	130.4	131.9	133.0	128.8
Raleigh/Durham, NC	89.5	98.0	97.0	87.7	99.8	100.0	97.6	102.0
Riverside/San Bernardino, CA**	94.5	96.1	106.7	95.5	104.9	109.6	113.2	116.1
Rochester, NY	68.3	72.5	75.7	73.2	73.7	78.3	76.3	76.4
Sacramento, CA**	n/a	87.5	95.3	88.2	92.3	100.2	97.4	100.3
Salt Lake City/Ogden, UT	68.5	69.4	67.7	65.3	66.9	70.0	67.7	67.8
San Antonio, TX	69.2	70.2	65.0	63.4	65.2	68.2	62.1	61.6
San Diego, CA**	118.2	129.2	147.8	134.4	142.6	152.1	157.2	163.9
San Francisco Bay Area, CA**	161.2	171.3	212.6	185.1	202.8	218.9	232.4	243.9
Seattle/Tacoma, WA	n/a	82.6	88.7	88.2	93.6	89.8	91.9	99.7
Spokane, WA	53.3	51.2	51.1	49.9	52.9	50.9	50.3	50.2
Springfield, MA	87.6	105.2	118.4	113.2	105.8	127.4	121.7	124.4
St. Louis, MO	70.9	74.3	78.1	74.1	79.5	81.1	75.7	81.4
Syracuse, NY	64.3	68.9	74.6	68.1	74.9	75.4	75.9	76.9
Tampa/St.Petersburg/Clearwater, FL	61.1	63.8	65.6	60.2	65.5	67.9	66.2	68.6
Toledo, OH	56.0	56.3	58.4	56.5	59.7	59.9	56.4	57.7
Tulsa, OK	65.5	65.7	65.0	63.5	65.0	65.5	65.3	60.5
Washington, DC/MD/VA	101.6	114.2	132.5	132.4	131.2	135.8	130.1	143.7
W. Palm Beach/Boca Raton/Delray Beach, FL	92.6	102.6	99.0	91.5	94.8	107.4	102.0	94.4
Wichita, KS	n/a	n/a	60.1	57.6	60.3	62.0	59.6	60.4
Worcester, MA	n/a	139.1	147.5	147.8	146.0	153.0	143.1	146.8

n/a Not Available

* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas.

** Provided by the California Association of REALTORS®.



METROPOLITAN AREA HOUSING AFFORDABILITY
Selected Metropolitan Areas by Major Components, First Quarter: 1989

Metropolitan Area***	Median-Priced Existing Single-Family Home	Mortgage Rate*	Median Family Income	Qualifying Income**	Composite Afford-ability Index
Baltimore, MD	$92,200	9.77	$37,411	$30,470	122.8
Boston, MA	177,000	10.16	43,858	59,948	73.2
Chicago, IL	99,600	9.90	35,737	33,282	107.4
Cleveland, OH	69,400	10.10	35,486	23,584	150.5
Dallas/Ft. Worth, TX	85,200	10.17	41,557	29,123	142.7
Denver, CO	80,800	9.44	39,772	25,954	153.2
Detroit, MI	71,900	10.30	37,645	24,844	151.5
Houston, TX	62,900	10.22	42,563	21,590	197.1
Indianapolis, IN	68,000	10.08	39,147	23,070	169.7
Kansas City, MO/KS	73,800	9.84	35,835	24,535	146.1
Los Angeles Area, CA#	201,000	9.31	33,977	63,833	53.2
Miami/Hialeah, FL	83,000	9.45	29,326	26,684	109.9
Milwaukee, WI	76,000	10.22	37,212	26,087	142.6
Minneapolis/St Paul, MN	85,900	9.27	43,191	27,184	158.9
NewYork/N. NewJersey/Long Island, NY/NJ/CT	179,700	9.68	30,346	58,931	51.5
Philadelphia, PA	104,700	10.01	37,296	35,312	105.6
Phoenix, AZ	78,500	9.85	35,287	26,120	135.1
Pittsburgh, PA	62,400	10.31	29,708	21,579	137.7
St. Louis, MO	81,400	9.80	36,896	26,970	136.8
San Diego, CA#	163,900	9.14	33,634	51,276	65.6
San Francisco Bay Area, CA#	243,900	9.16	42,815	76,440	56.1
Washington, DC/MD/VA	143,700	9.36	50,789	45,836	110.8

* Effective rate on loans closed on existing homes - Federal Home Loan Bank Board

** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment

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# Note: The California Association of REALTORS® publishes a housing affordability index for areas within the state which differs significantly from these values because it measures the proportion of households which could theoretically afford to purchase the median price home rather than the ability of a median income family to carry the mortgage. California data is provided for comparison only and is not to replace the currently available measures. The indices are roughly consistent.

HOUSING AFFORDABILITY INDEX FOR METROPOLITAN AREAS

Metropolitan Area*	Years			Quarters				
	1986	1987	1988	1988				1989
				I	II	III	IV	I
Baltimore, MD	125.5	133.8	129.0	135.6	128.8	123.2	128.4	122.8
Boston, MA	69.9	72.6	74.5	75.6	76.4	72.4	73.5	73.2
Chicago, IL	109.9	116.2	110.1	113.6	109.0	108.0	109.9	107.4
Cleveland, OH	140.0	152.7	154.0	154.7	154.6	154.3	152.5	150.5
Dallas/Ft. Worth, TX	117.7	132.5	143.2	140.3	143.2	141.9	147.3	142.7
Denver, CO	122.4	127.0	143.8	136.7	139.2	144.9	154.3	153.2
Detroit, MI	166.7	166.5	154.3	159.3	155.9	149.9	152.3	151.5
Houston, TX	150.9	182.5	199.8	199.6	196.3	184.2	219.1	197.1
Indianapolis, IN	161.1	176.4	177.3	188.1	178.1	172.6	170.6	169.7
Kansas City, MO/KS	147.2	149.5	157.2	159.2	156.8	156.5	156.2	146.1
Los Angeles Area, CA#	69.5	72.9	61.2	68.2	61.6	58.2	56.8	53.2
Miami/Hialeah, FL	94.3	108.8	113.4	117.5	111.2	112.9	111.9	109.9
Milwaukee, WI	147.6	162.1	149.3	147.8	148.4	149.2	151.9	142.6
Minneapolis/St. Paul, MN	148.4	164.1	156.7	162.9	159.4	159.9	144.6	158.9
New York/N. New Jersey/Long Island, NY/NJ/CT	49.3	50.4	50.6	50.4	49.3	49.8	53.0	51.5
Philadelphia, PA	112.4	110.3	108.9	113.4	110.6	105.5	106.2	105.6
Phoenix, AZ	117.9	130.6	134.7	134.8	137.0	133.5	133.7	135.1
Pittsburgh, PA	n/a	n/a	144.6	148.0	152.3	138.5	139.5	137.7
St. Louis, MO	137.4	147.3	150.0	161.9	144.7	143.1	150.2	136.8
San Diego, CA#	77.2	83.9	72.2	68.6	78.8	73.1	68.3	65.6
San Francisco Bay Area, CA#	69.9	76.8	69.0	77.2	71.2	66.4	61.2	56.1
Washington, DC/MD/VA	126.4	129.2	119.0	117.1	120.2	117.1	121.7	110.8

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NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Thousands of Units)

Year		Total	In structures with – – 1 unit	2 to 4 units	5 units or more	Regions Northeast	Midwest	South	West
1983		1,703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
1988		1,488	1,080	59	349	235	274	574	404
			Seasonally Adjusted Annual Rates						
1988	May	1,392	1,001	53	338	202	267	562	361
	Jun	1,463	1,088	62	313	238	262	585	378
	Jul	1,478	1,067	50	361	255	283	566	374
	Aug	1,459	1,076	59	324	217	239	573	430
	Sep	1,463	1,039	62	362	206	258	576	423
	Oct	1,532	1,136	63	333	198	273	582	479
	Nov	1,567	1,138	68	361	219	275	613	460
	Dec	1,577	1,141	65	371	201	343	609	424
1989	Jan	1,678	1,199	66	413	293	313	642	430
	Feb	1,465	1,029	62	374	224	273	572	396
	Mar^{r}	1,409	981	50	378	160	308	552	389
	Apr^{r}	1,339	1,027	64	248	206	269	525	339
	May^{p}	1,311^{r}	980	46	285	186	269	516	364

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW ONE-FAMILY HOUSES SOLD
(Thousands of houses sold during period)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987		671	117	97	271	186					
1988		677	102	97	275	202					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988	May	679	101	93	290	194	64	10	10	27	18
	Jun	716	114	93	286	223	65	11	8	25	20
	Jul	701	104	93	283	221	57	9	8	23	17
	Aug	712	100	98	300	214	59	8	9	25	17
	Sep	691	86	99	261	245	54	7	8	21	18
	Oct	718	96	111	274	238	57	8	9	20	19
	Nov	650	65	104	254	227	43	5	7	17	15
	Dec	669	109	94	263	204	42	7	5	17	12
1989	Jan	700	121	106	265	207	52	8	6	21	17
	Feb^{r}	621	84	103	236	198	51	6	8	20	17
	Mar^{r}	547	110	98	196	143	57	11	10	21	15
	Apr^{r}	597	87	98	228	183	60	8	11	23	19
	May^{p}	613	98	83	234	197	58	10	8	22	18

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF MAY
(Percentage Distribution)

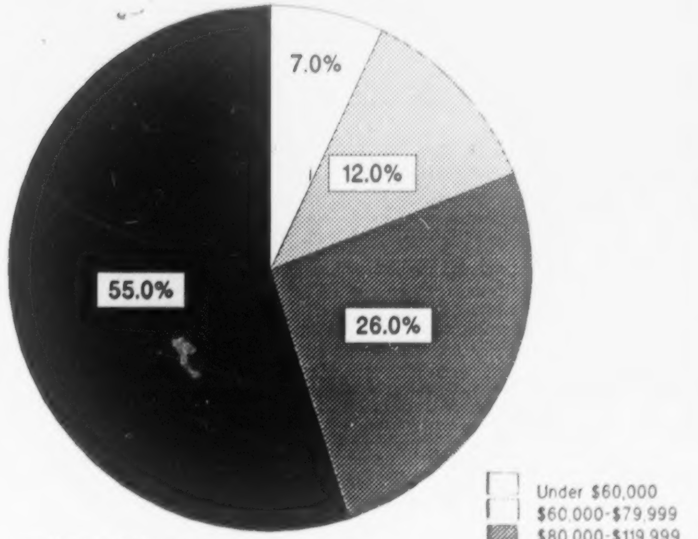
Price Class	May 1985	May 1986	May 1987	May 1988^r	May 1989^p
Under $60,000	18	10	10	7	7
$60,000 to $79,999	32	25	17	15	12
$80,000 to $99,999	19	23	19	20	14
$100,000 to $119,999	8	12	14	14	12
$120,000 to $149,999	10	11	16	18	18
$150,000 and over	13	20	24	27	37
Median Sales Price	$80,100	$92,100	$104,900	$111,000	$125,000

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
FIRST QUARTER 1989^p
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	8	*	12	16	*
$60,000 to $79,999	14	*	20	21	8
$80,000 to $119,999	28	19	27	33	27
$120,000 and over	50	81	40	30	65
Median Sales Price	$119,00	$186,200	$101,000	$90,900	$137,000

* Insufficient Sample Size
p Preliminary
Source: Census Bureau, U.S. Department of Commerce.



NEW HOUSES SOLD BY SALES PRICE CLASS
MAY 1989 p
(Percentage Distribution)

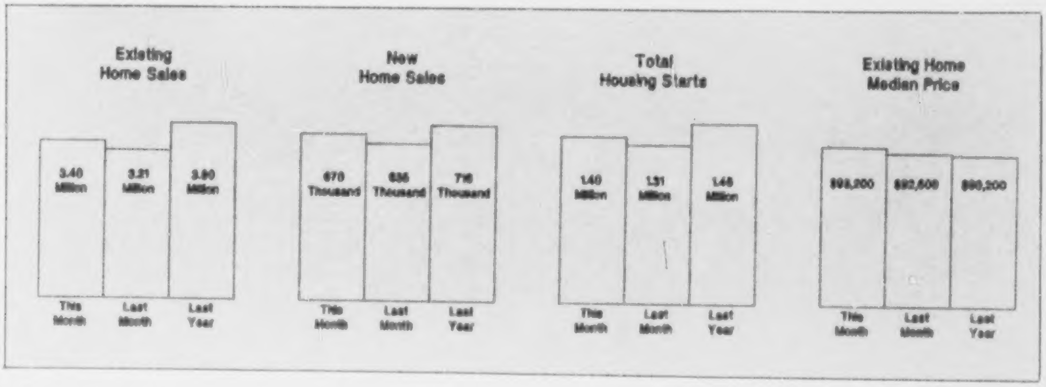
Source: U.S. Department of Commerce, Bureau of the Census
p Preliminary

Vol. 3, No. 7 July 1989

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Existing and new single-family home sales increased in June on early signs of moderating interest rates. Existing single-family home sales broke out of a five month decline with a 5.9 percent sales jump to a seasonally adjusted annual rate of 3,400,000 units. New home sales advanced for the third straight month with a 5.5 percent increase to a seasonally adjusted annual rate of 670,000 units.
- The total inventory of existing and new homes for sale decreased by 242,000 units to 2,719,000 with the bulk of the decrease attributable to a 240,000 drop in the supply of existing single-family homes. The month's supply of existing and new homes each moved down a notch to 8.2 months and 7.0 months, respectively.
- Total private housing starts rebounded 7.0 percent to 1,400,000 units on a seasonally adjusted annual rate basis after declining for four straight months. A hefty 27.4 percent jump in multifamily starts accounted for the bulk of the overall increase.
- Housing prices moved into new high ground in June. The median price of an existing single-family home hit an all-time high of $93,200, up 3.3 percent from the same month a year ago. The new home price jumped 16.5 percent to $129,900 over the same period.
- Housing became less affordable for the fourth month in a row. In June, the national Housing Affordability Index fell 1.4 points to 99.3, the lowest it has been since October 1985. Similarly, the First-Time Homebuyer Affordability Index fell 4.2 points to 71.0, its lowest level since the third quarter of 1985.

NATIONAL ASSOCIATION OF REALTORS®
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The Voice for Real Estate™

SURVEY DESCRIPTION

Publication

1. Home Sales is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage

2. Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 450 Boards of REALTORS® and multiple listing systems across the country. In 1988, data on over 1,140,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions

4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows:

NORTHEAST

Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH

Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST

Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST

Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	.14	South	.35
Midwest	.28	West	.23

Sales Volume

6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant 'blow-up' factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report 'closings'. To the extent 'closings' are contained in this series, they introduce a 'distributive lag' effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price

10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a standard home. Prices are influenced by changes in cost and changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are not seasonally adjusted.

Seasonal Adjustment

13. Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading-day variation – the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1968. Seasonal patterns for apartment condominium/cooperative sales and state home sales are based on quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

EQUAL HOUSING
OPPORTUNITY

THE NATIONAL ASSOCIATION OF REALTORS® is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. The Association encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin.

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The Forgotten Homeownership Option

America is primarily a nation of free-standing single-family homes and multifamily apartment buildings, where the single-family homes are largely owner-occupied and the apartment units are largely renter occupied. Even analysts have stereotyped these arrangements. What we miss, then, in most discussions, is the role of individual ownership of units in multifamily structures--apartment condominiums and cooperatives.

At this point I must hasten to emphasize that I am not talking about all condominium units. Many condominiums are single-family homes. Does this surprise you? It is really a definitional issue. These condominium single-family homes are primarily "single-family attached" meaning they have common walls with an adjacent unit, but there is an unbroken firewall from foundation to roofline. They are physically separate in terms of all interior space, but they are externally connected. Typically they are referred to as townhouses.

Condominium ownership is a relatively recent phenomenon, first becoming popular in the early 1970s, and then being viewed skeptically by owners, real estate people, and lenders alike. The fledgling industry recorded abuses galore--promises of amenities never provided, unrealistic estimates of homeowners association costs, conversions where developers knowingly concealed structural problems, etc.

Fortunately those days are gone. The condominium market has stabilized at roughly seven percent of the owner occupied housing stock and an equivalent share of the resale housing market. Yet, most analysts measure the health of the condominium market exclusively in terms of construction and conversion activity, and have repeatedly pronounced condominiums dead at times when resale activity was setting new records. For example, both construction/conversion and resales are suffering now, but the bulk of the resale problems are in the Northeast where most condos are located.

Condominiums, especially condominium apartments, are much more than just another apartment; much more than just a way to get a foothold in the homeownership market toward one's "real" objective of owning a single-family home. Condominiums represent a lifestyle choice for specific segments of the American population. As apartments, these units tend to be smaller than single-family homes, placing a premium on efficient design, amenities and conveniences. These units are often ideal for youthful households, without children, whose busy lives do not include time for home maintenance, yard work, etc. These same easy-care features make condominium units attractive to older households whose children are grown and the owners no longer desire the space and maintenance of a single-family home, but want the freedom afforded by ownership. A condo is perfect.

The future of the condo market is clouded by demographics. The youthful segment will be diminishing as the baby-bust generation begins looking for their homes, but the empty-nest market will explode as baby-boomers reach that stage in their lives when a condominium is appealing. While these two phenomenon may not happen simultaneously, a healthy market for both single-family and multifamily condominiums seems assured.

This commentary has focused on the condominium as a primary residence. This is not intended to overlook the important role condominiums play in the second home market. Other research currently underway at the NATIONAL ASSOCIATION OF REALTORS® will allow this market to be reviewed in more detail in a future issue.

Glenn E. Crellin
Division Vice President

JUNE HOUSING MARKETS

Housing markets moved ahead on a broad front in June as marginal buyers of existing and new single-family homes, encouraged by the first sign of softening interest rates, began to return to the market.

After drifting downward for five months, existing single-family home sales activity, reacting to a decrease in the average mortgage commitment rate, posted a 5.9 percent month-to-month increase to a seasonally adjusted annual rate of 3,400,000 units, 10.5 percent above the same month a year ago. June new home sales rose 5.5 percent to a seasonally adjusted annual rate of 670,000 units. While this was the third increase in succession, it was still 6.4 percent off the pace of a year ago.

Regional comparisons point to another new low in monthly sales in the already sluggish Northeast with sales slipping to an annual rate of 550,000 units, the lowest since February 1985 when it stood at 540,000. This is 9.8 percent below the May level. The other three regions posted increases, led by an economically sound Midwest where exports of agricultural products and manufactured items contributed to a very strong 18.5 percent jump to an annual rate of 960,000 units. Gains in the South and West were more moderate with increases of 4.1 percent to 1,280,000 units and 5.2 percent to 610,000 transactions, respectively.

The pattern of new home sales was similar to the existing home market. Activity in the Northeast dropped a steep 18.2 percent to 72,000 units on a seasonally adjusted annual rate basis. By contrast, the West posted a sharp increase of 23.4 percent to a seasonally adjusted rate of 232,000 units. Sales in the Midwest and South were up a modest 3.1 percent to 99,000 units and 1.9 percent to 267,000 transactions, respectively.

Home Sales Volume in the First Half of 1989

During the first six months of 1989, existing home sales volume totaled 1,702,000 units, a modest 2.5 percent below the 1,745,000 units sold during the same period last year. Three of the four regions reported decreases, with the Northeast bearing a substantial 11.2 percent decline to 287,000 units. The Midwest was down a moderate 3.7 percent to 465,000 units while the South was marginally lower at 637,000 sales. By contrast, the West managed a modest 3.4 percent gain to 308,000 units.

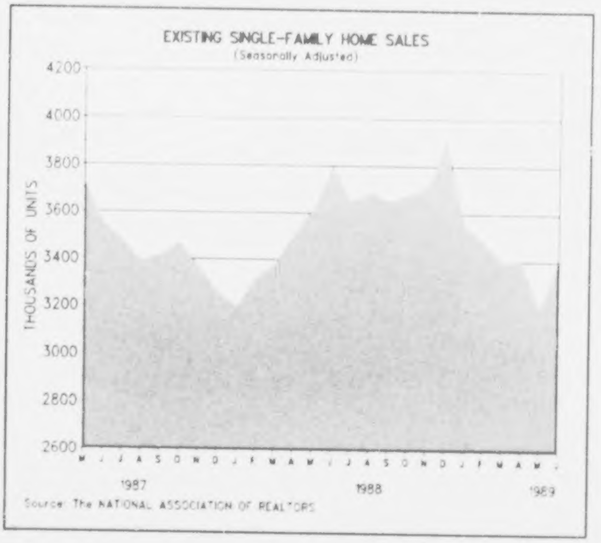
Inventory Available for Sale

The increase in home sales in June was reflected in the number of existing and new homes available for sale. The total number of unsold homes decreased by 242,000 units to 2,719,000 with existing homes falling 9.3 percent to 2,340,000 units and new homes slipping 0.5 percent to 379,000 structures.

The months' supply of both types of structures was cut correspondingly to the second lowest level of the year. The supply of existing single-family homes was pared to 8.2 months while the inventory of new homes slipped to the equivalent of 7.0 months worth of sales.

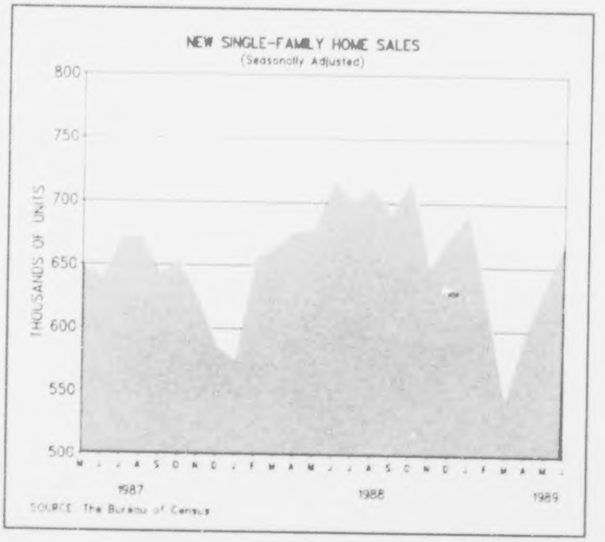
Housing Construction

While the pace of new privately owned housing starts picked up in June, the bulk of the increase resulted from a sharp rebound in construction of multifamily structures.



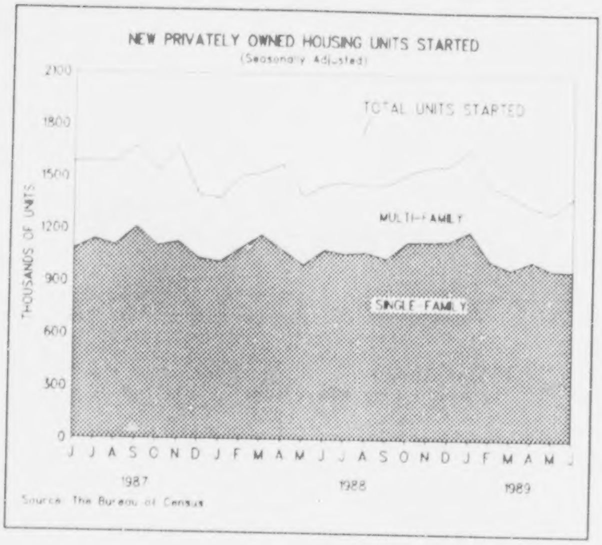
EXISTING SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

Source: The NATIONAL ASSOCIATION OF REALTORS



NEW SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: The Bureau of Census


NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Seasonally Adjusted)

Source: The Bureau of Census

Total housing starts increased 91,000 units to a total 1,400,000 units, an overall increase of 7.0 percent from May. However, 80,000 of these were for buildings with five units or more. Single-family housing construction actually declined by 2,000 units and is now at a twelve month low. It is not surprising that builders of one-unit homes are inclined to hold back on new projects, given the current relatively high level of unsold homes.

Regional comparisons point to a mixed picture with builders exercising caution as the Fed raised rates. The Northeast region slipped to a seasonally adjusted annual rate of 171,000 units, 5.0 percent below May and near the bottom of the range of the last 12 months. Activity in the Midwest did in fact hit a new low, dropping 3.3 percent to 238,000 units. By contrast, the South recovered from last month's twelve month low by posting a 5.8 percent gain to 548,000 units. The West was the strongest of the group in posting a 21.4 percent rebound to an annualized rate of 443,000 units.

As might be expected, the steady decline in homebuilding activity during the first-half of this year compares unfavorably with the first half of last year. During the first six months of 1989, the actual number of new homes started was 709,700. This was 4.2 percent below the level of the same period of a year ago.

Regional comparisons show that the Northeast has borne the brunt of the downturn in new home construction. When compared to the first six months of last year, the volume of new housing units started in the Northeast fell 22.4 percent to 92,600 units. The Midwest and South posted more moderate decreases of 3.1 percent to 126,500 units and 2.0 percent to 289,200 units. The West reported the lone decrease of 2.8 percent to 201,400 new units.

Home Sales Prices

Home sales prices continue to edge upward despite reports of weaknesses in selected local areas. Marginal buyers continue to be squeezed out of the market, while those with higher incomes and substantial equity are able to participate in the market. In June, the median price of an existing single-family home rose $600 to $93,200, 3.3 percent above the same month a year ago. The median price of a new single-family home jumped 8.3 percent to $129,900, 16.5 percent above the same month a year ago.

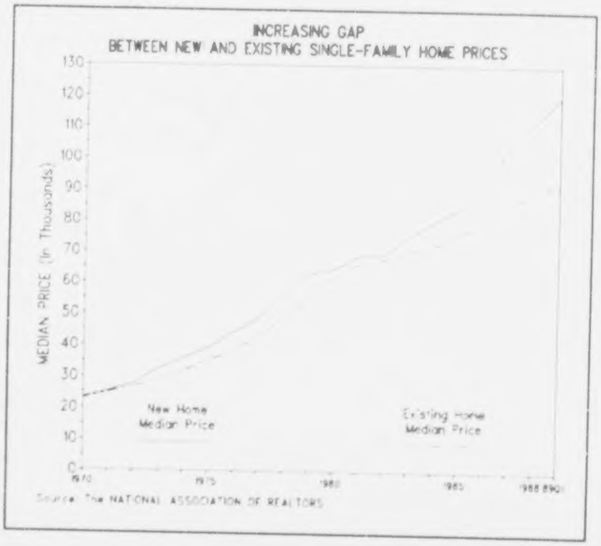
Regional comparisons show that three of the four regions set new highs with prices in the Northeast continuing to forge ahead despite sagging volume. The median price of an existing single-family home in that region increased $6,000 to $149,800, 1.7 percent above the same month of last year. The Midwest reported an $1,800 gain to $72,100 as the South registered an $800 increase to $84,900, 1.2 percent above June of last year. By contrast, prices in the West reversed direction and dropped $8,200 to $134,000, still 5.6 percent above the same month of last year.

Resale Housing Affordability

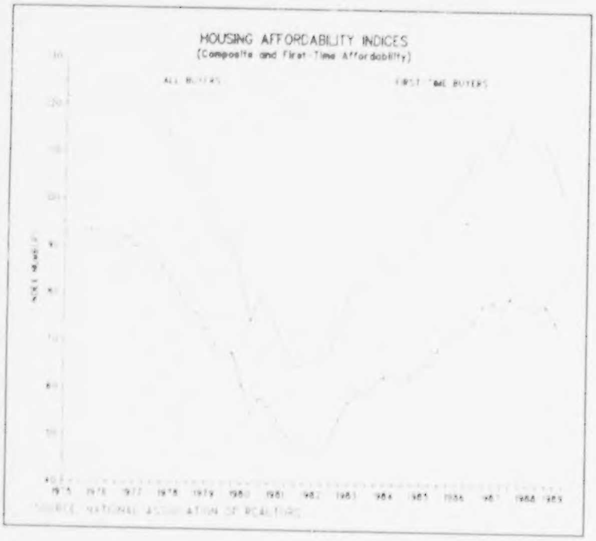
Increasing interest and home prices have pushed the Housing Affordability Index to the lowest level since October 1985.

The June affordability index has fallen below the 100 level and now stands at 99.3 This means that a family earning the median family income of $32,760 has 99.3 percent of the income required to marginally qualify for a conventional loan covering 80 percent of the median existing single-family home price of $93,200.

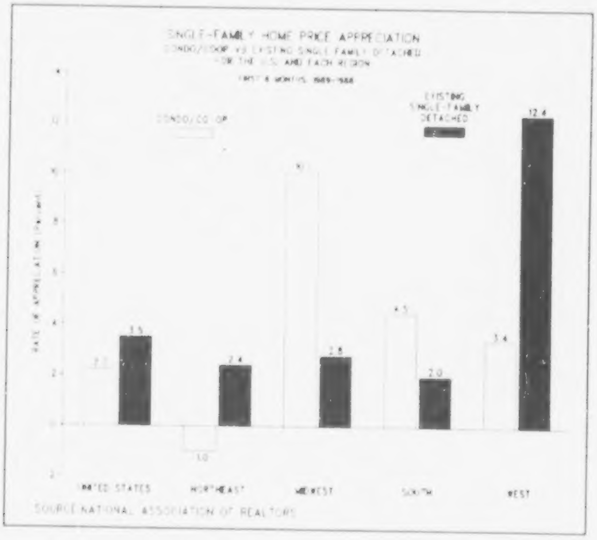
Tightening credit conditions in the second quarter have placed a greater burden on first-time homebuyers. The First-Time Homebuyer Affordability Index dropped to 71.0 from 75.2 in the first quarter. The combination of rising home prices and increasing mortgage interest rates have been scarcely offset by gains in first-time median family income.


INCREASING GAP
BETWEEN NEW AND EXISTING SINGLE-FAMILY HOME PRICES

Source: The NATIONAL ASSOCIATION OF REALTORS



SOURCE: NATIONAL ASSOCIATION OF REALTORS



SOURCE: NATIONAL ASSOCIATION OF REALTORS

A First-time Housing Affordability Index of 71.0 means that the typical renter family in their prime homebuying years (ages 25-44) had 71.0 percent of the income required to qualify for a mortgage on a typically priced starter home, assuming a down payment of just 10 percent.

In the second quarter, while both the broad Housing Affordability Index and First-time Homebuyer Affordability Index have worsened, the housing affordability gap (the percentage difference between the two indexes) narrowed by one tenth of one percent to 29.8. This was the fourth consecutive -- although modest -- improvement over the past five quarters.

Condominium/Cooperative Resales

The overall pace of the apartment condominium/cooperative market picked up in the second quarter solely due to a sharp increase in sales activity in the Northeast Region. Nationwide condo/co-op resales increased 8.1 percent to 386,000 units on a seasonally adjusted annual rate basis.

Regional comparisons point to an unusually sharp volume gain in the Northeast where condo/co-op sales jumped 34.0 percent to a seasonally adjusted annual rate of 201,000 units, just below the quarterly high of 208,000 posted in the second quarter of 1988. This spurt in sales reflects a shift in homebuying preferences as the worsening affordability crisis forces marginal buyers away from more costly detached housing toward lower priced condo/co-op structures. Each of the other three regions reported a drop of about 11.5 percent with the Midwest registering an annualized sales pace of 62,000 units and the South and West at rates of 83,000 and 39,000, respectively.

The median price of an apartment condo/co-op increased $1,100 to $84,800 in the second quarter, 1.4 percent higher than a year ago. Prices were higher in three of the four regions with the Northeast reporting a $4,500 gain from the first quarter, 1.1 percent above the first quarter of last year. The Midwest registered a $1,600 increase to $65,900, a relatively strong 8.7 percent increase from last year. The South reported a modest $900 increase from the previous quarter, 5.2 percent above last year, and the West registered a quarter-to-quarter decrease of $3,400, basically unchanged from the same quarter of 1988.

Total Home Resales

While a weaker housing market was anticipated in the first half of the year, it was expected to firm up after mid-year and improve in the second half as interest rates work a little lower.

While demand for housing is generally soft, financing is reportedly getting better as marginal homebuyers wait for the market to come within their reach.

Nationally, total existing single-family home sales including condos and co-ops slid 8.4 percent from the 1988 second quarter to a seasonally adjusted annual rate of 3,720,000 units. Sales also slipped from the previous quarter, when total resale volume fell 3.1 percent.

On a regional basis, quarter-to-quarter existing single-family home sales dropped in the Midwest, South, and West, while increasing only slightly in the Northeast. Home sales activity in the Northeast increased this quarter by 1.3 percent to an annualized rate of 790,000 units. This overall increase was due in large part to an increase in condo and co-op sales which rose 34 percent, while single-family home sales slipped 5.9 percent.

The condo/co-op share of total sales activity in the Northeast for the 1989 second quarter was 25.4 percent. Activity in the other regions reflects a falling off in total existing home sales for the second consecutive quarter. The Midwest reported a seasonally adjusted annual rate of 950,000 units sold, down 3.1 percent from the previous quarter and down 5.9 percent from a year ago. Condo/co-ops, which represented 6.5 percent of total home sales, fell 11.4 percent to a seasonally adjusted annual rate of 62,000 units sold.

The South followed the Midwest, recording a seasonally adjusted annual rate of 1,350,000 units sold, slipping 2.9 percent from the previous quarter and registering a 6.9 percent drop in sales from the same quarter a year ago. Condo/co-op shares represented 6.1 percent of total sales activity in this region and fell 11.7 percent, to an annualized rate of 83,000 units sold.

Activity in the West also slowed. Total existing home sales fell 7.2 percent from both the 1988 2nd quarter and 1989 1st quarter to a seasonally adjusted annual rate of 640,000 units. The share of condo/co-ops represented 6.1 percent of total sales activity and fell 11.4 percent from the previous quarter to an annualized rate of 39,000 units.

State Resale Market

A large majority of states reported year-to-year decreases in total existing home sales during the second quarter 1989. Among the 50 states and the District of Columbia, roughly 76 percent reported decreases in home sales activity in the second quarter of this year with 16 states and the District of Columbia posting a fall of ten percent or more. By contrast, of 12 states reporting increases, only five, Alaska (24.0 percent), Nebraska (16.2 percent), Hawaii (14.3 percent), Montana (12.7 percent), and Oklahoma (11.3 percent), were up more than 10 percent from a year ago. Alaska and Montana also posted quarter-to-quarter increases in sales activity, 66.1 and 14.7 percent, respectively.

Massachusetts, which registered a year ago change of -1.9 percent, edged up this quarter to 93,500 units, an increase of 2.1 percent from the 1989 first quarter. Following Massachusetts was Maine, which showed volume sales decreasing 10.7 percent from a year ago and now showing an increase in home sales activity in the second quarter, when home sales reached 32,400 units sold, a quarter-to-quarter rise of 6.2 percent.

Regional year-to-year comparisons show that the housing market is cool, particularly in the Northeast. Of the nine states comprising the Northeast, all registered dips in home sales activity from the same quarter a year ago. Pennsylvania reported the largest decline in home sales activity, down 29 percent from the second quarter 1988 to a seasonally adjusted annual rate of 190,200 units. Activity has been slipping in this market since the third quarter 1988.

Home sales activity declined in over 80 percent of the states in both the South and Midwest regions. Nebraska and Michigan were the only two states in the Midwest to report growth in home sales activity from the second quarter 1988, up 16.2 percent and 1.1 percent respectively. Between first quarter 1989 and the second quarter 1989, home sales activity in Nebraska fell 10.3 percent, to an annualized rate of 24,400 units.

Oklahoma and Louisiana were the only two states to report increases in homes sales activity in the South, up 11.3 and 6.8 percent from a year ago.

Fifty-four percent of the states in the West region reported year-to-year volume increases. Alaska reported the largest percentage change, increasing 24.1 percent from a year ago, to a seasonally adjusted annual rate of 10,300 units. Alaska also reported an increase in the quarter-to-quarter number of 66.1 percent.

Montana and Utah also reported both year-to-year and quarter-to-quarter increases in sales volume. Montana recorded an annualized rate of 13,300 units sold, a quarter-to-quarter rise of 14.7 percent. Utah registered a seasonally adjusted annual rate of 15,100 units sold, an increase of 11.9 percent from the previous quarter.

Metropolitan Home Sale Prices

Home prices in many metropolitan areas continue to appreciate, and at a rather healthy rate. Of the 83 metropolitan areas in our sample, 66 mets reported year-ago quarter-to-current quarter increases in home prices, with home prices in 16 metropolitan areas increasing by at least 10 percent.

Honolulu registered the largest year-ago to quarter change, increasing 32.1 percent. For that same period, the San Francisco Bay Area recorded a rise in the median home price of 31.0 percent, while other areas in California followed suit: Los Angeles (24.6 percent), San Diego (23.8 percent), and Orange County (23.8). The Buffalo/ Niagara Falls area also registered significant median home price appreciation, up 10.3 percent from a year ago, to a median price of $71,500.

On a regional basis, with the exception of Spokane, Washington prices in the the West are continuing to appreciate at rather healthly rates. Denver showed the weakest signs of home price appreciation, increasing one percent from a year ago, reporting a median price of $84,200.

Tampa/St.Petersburg/Clearwater led the South in home price inceases, with the median home price rising 20.5 percent to a second quarter median of $78,900. In contrast, the median home price in Oklahoma City fell by 8.1 percent from the same quarter a year ago, to $52,300.

Toledo, Ohio registered a robust year-ago price increase of 21.4 percent, recording a second quarter 1989 median home price of $72,500. The median home price

TEN HIGHEST AND LOWEST PRICED AREAS

Highest Priced		Lowest Priced	
Area	Median Price	Area	Median Price
San Francisco Bay Area*	$265.7	Toledo	$62.4
Honolulu	262.5	Wichita	61.6
Orange Cnty. (Anaheim/ Santa Ana)*	247.6	Lansing/ East Lansing	59.4
Los Angeles Area*	218.0	Omaha	58.6
Boston	188.6	Louisville	58.4
New York/No. New Jersey/Long Island	185.2	Des Moines	58.1
San Diego*	176.6	Mobile	55.4
Hartford	165.1	Oklahoma City	52.3
NewHaven/Meriden	156.1	Spokane	51.8
Washington, D.C.	139.9	Peoria	47.7

*Provided by the California Association of REALTORS

in St. Louis fell from the same quarter a year ago to $75,300, a decrease of 5.3 percent.

The largest year ago declines in median home prices in the Northeast occurred in New Haven/Meriden (- 7.6 percent), Worcester, MA (-5.0 percent), and New York/No.New Jersey/Long Island (-4.5 percent). While Springfield, MA experienced an increase of 19.8 percent, with a median home price of $126,700. Albany/Schenectady/Troy also experienced a significant increase in the median home price, reaching $104,200 an increase of 14.4 percent from a year ago.

Halvor M. Juul
Director of Surveys

Ann E. Mulvaney
Research Economist

State Home Resales: Second Quarter 1989
(Percent Change from 2nd Quarter 1988)

Down 10% or More

- Arkansas
- Colorado
- Connecticut
- District of Columbia
- Iowa
- Maine
- Minnesota
- New Hampshire
- New Jersey
- New Mexico
- New York
- North Carolina
- Pennsylvania
- Rhode Island
- South Dakota
- Vermont
- Virginia

Down 0.1 - 9.9%

- Alabama
- Arizona
- California
- Delaware
- Florida
- Georgia
- Illinois
- Indiana
- Kansas
- Kentucky
- Maryland
- Massachusetts
- Mississippi
- Missouri
- North Dakota
- Ohio
- South Carolina
- Tennessee
- Texas
- West Virginia
- Wisconsin
- Wyoming

Up 0.1 - 9.9%

- Idaho
- Louisiana
- Michigan
- Nevada
- Oregon
- Utah
- Washington

Up 10% or More

- Alaska
- Hawaii
- Montana
- Nebraska
- Oklahoma

Metropolitan Home Sales Price
(Change from 1st Quarter 1988)

Down

- Corpus Christi
- Des Moines
- Hartford
- Jacksonville, FL
- New Haven/Meriden
- New Orleans
- New York/No. New Jersey/Long Island
- Oklahoma City
- Omaha
- Raleigh/Durham
- Saint Louis
- San Antonio
- Spokane
- Tulsa
- Worcester

Up 0.1 - 4.9%

- Akron
- Albuquerque
- Baton Rouge
- Birmingham, AL
- Boston
- Charleston, SC
- Chattanooga
- Columbia, SC
- Columbus, OH
- Dallas
- Daytona Beach, FL
- Denver
- Detroit
- Fort Lauderdale/Hollywood
- Kansas City
- Lansing/East Lansing
- Little Rock/N. Little Rock
- Memphis
- Minneapolis/St. Paul
- Nashville
- Orlando
- Peoria
- Phoenix
- Pittsburgh
- Providence
- Rochester
- Salt Lake City/Ogden
- Syracuse
- West Palm Beach/Boca Raton/ Del Ray Beach
- Wichita

Up 5.0 - 9.9%

- Baltimore
- Chicago
- Cleveland
- Dayton/Springfield
- El Paso
- Fort Worth/Arlington
- Greenville/Spartanburg
- Houston
- Indianapolis
- Knoxville
- Las Vegas
- Lexington/Fayette
- Louisville
- Madison
- Miami/Hialeah
- Milwaukee
- Montgomery
- Philadelphia
- Portland, OR
- Washington, DC

Up 10% or More

- Albany/Schenectady/Troy
- Buffalo/Niagara Falls
- Cincinnati
- Grand Rapids
- Honolulu
- Los Angeles Area*
- Mobile
- Orange County (Anaheim/Santa Ana)*
- Riverside/San Bernardino*
- Sacramento
- San Diego*
- San Francisco Bay Area*
- Seattle/Tacoma
- Springfield, MA
- Tampa/St. Petersburg/Cearwater
- Toledo

* Provided by the California Association of REALTORS®

UNITED STATES SUMMARY

Year		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
		Existing	New	Existing	New	Existing	New	Existing	New
1983		2,719,000	623,000	1,980,000	304,000	*	*	$70,300	$ 75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,500
1988		3,594,000	677,000	2,160,000	367,000	*	*	89,300	112,500
1988	Jun	3,800,000	716,000	2,680,000	367,000	8.4	6.3	$90,200	$111,500
	Jul	3,650,000	701,000	2,520,000	365,000	8.3	6.4	90,700	118,000
	Aug	3,690,000	712,000	2,540,000	363,000	8.2	6.3	91,500	110,000
	Sep	3,650,000	691,000	2,430,000	361,000	7.9	6.5	88,500	116,600
	Oct	3,680,000	718,000	2,400,000	353,000	7.9	6.1	88,900	112,900
	Nov	3,710,000	650,000	2,600,000	364,000	8.5	6.9	88,500	110,400
	Dec	3,920,000	669,000	2,160,000	366,000	6.5	6.7	88,700	121,000
1989	Jan	3,550,000	700,000	2,400,000	369,000	8.1	6.4	$89,700	$113,000
	Feb	3,480,000	621,000	2,450,000	375,000	8.5	7.6	91,900	118,000
	Mar r	3,400,000	555,000	2,470,000	377,000	8.7	8.1	92,000	123,000
	Apr r	3,400,000	609,000	2,640,000	377,000	9.3	7.6	92,900	117,600
	May r	3,210,000	635,000	2,580,000	381,000	9.6	7.4	92,600	120,000
	Jun p	3,400,000	670,000	2,340,000	379,000	8.2	7.0	93,200	129,900

r Revised p Preliminary * not applicable
Source: New home sales data from Census Bureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
1988		3,594,000	673,000	929,000	1,350,000	642,000					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988	Jun	3,800,000	720,000	1,000,000	1,410,000	680,000	379,000	73,000	102,000	133,000	71,000
	Jul	3,650,000	690,000	930,000	1,370,000	660,000	328,000	65,000	85,000	122,000	56,000
	Aug	3,690,000	680,000	930,000	1,400,000	670,000	368,000	73,000	94,000	134,000	66,000
	Sep	3,650,000	650,000	910,000	1,390,000	700,000	315,000	62,000	73,000	114,000	66,000
	Oct	3,680,000	640,000	940,000	1,410,000	690,000	304,000	59,000	73,000	114,000	59,000
	Nov	3,710,000	680,000	940,000	1,410,000	680,000	276,000	46,000	61,000	119,000	50,000
	Dec	3,920,000	700,000	1,010,000	1,500,000	700,000	258,000	44,000	62,000	105,000	48,000
1989	Jan	3,550,000	710,000	930,000	1,310,000	630,000	217,000	40,000	51,000	87,000	38,000
	Feb	3,480,000	600,000	920,000	1,310,000	640,000	223,000	34,000	66,000	83,000	39,000
	Mar	3,400,000	570,000	870,000	1,270,000	670,000	303,000	48,000	81,000	115,000	60,000
	Apr	3,400,000	610,000	890,000	1,280,000	620,000	293,000	49,000	85,000	110,000	49,000
	May r	3,210,000	610,000	810,000	1,230,000	580,000	322,000	59,000	85,000	118,000	56,000
	Jun p	3,400,000	550,000	960,000	1,280,000	610,000	344,000	57,000	97,000	124,000	66,000

Components may not agree with totals due to rounding.
r Revised p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES (Billions of Dollars)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
1983		$ 225.9	$ 42.1	$44.6	$ 84.4	$ 53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
1988		405.4	104.6	73.4	136.0	93.3					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988	Jun	$439.0	$114.2	$80.9	$145.8	$100.4	$43.7	$11.6	$8.3	$13.8	$10.4
	Jul	418.8	108.4	74.9	142.7	96.1	37.6	10.3	6.8	12.7	8.2
	Aug	425.8	110.2	75.4	143.7	99.4	42.4	11.8	7.6	13.7	9.8
	Sep	410.8	99.9	71.0	138.1	104.4	35.4	9.6	5.7	11.3	9.7
	Oct	413.0	100.1	74.1	137.0	102.5	34.2	9.1	5.8	11.0	8.8
	Nov	417.0	103.9	73.6	139.3	101.6	31.0	7.0	4.7	11.8	7.5
	Dec	438.6	106.4	79.6	147.5	104.7	29.9	5.5	4.9	10.2	7.1
1989	Jan	$401.6	$110.4	$73.2	$129.6	$ 94.1	$24.5	$6.2	$4.2	$ 8.6	$ 5.7
	Feb	409.7	92.3	74.2	147.3	95.8	26.3	5.2	5.3	9.4	5.8
	Mar	394.9	88.5	70.2	131.4	104.0	35.1	7.4	6.6	11.9	9.2
	Apr	401.4	95.3	71.9	134.4	99.3	34.6	7.7	6.9	11.6	7.8
	May^{r}	378.8	95.4	66.3	128.1	93.5	38.0	9.3	7.0	12.3	9.0
	Jun^{p}	403.7	88.9	81.1	132.4	95.4	40.8	9.3	8.2	12.8	10.6

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES (Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
				Median					Average (Mean)		
1983		$70,300	$ 72,200	$56,600	$69,200	$ 94,900	$ 83,100	$ 85,400	$62,900	$ 81,500	$111,000
1984		72,400	76,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1988		89,300	143,000	68,400	82,200	124,900	112,800	155,500	78,900	100,800	145,400
1988	Jun	$90,200	$147,300	$70,000	$83,900	$127,000	$115,400	$158,800	$81,100	$103,600	$147,700
	Jul	90,700	144,700	69,400	84,700	125,300	114,700	157,500	80,400	104,100	145,700
	Aug	91,500	148,400	69,800	83,400	126,900	115,400	161,200	81,000	102,400	147,900
	Sep	88,500	141,500	67,500	81,400	128,300	112,600	154,100	77,800	99,600	148,800
	Oct	88,900	144,400	68,000	80,500	130,000	112,300	155,700	79,100	97,100	149,100
	Nov	88,500	140,700	67,400	80,400	130,900	112,400	152,500	78,100	98,700	150,400
	Dec	88,700	143,000	67,700	78,200	128,700	112,000	152,500	79,000	97,800	149,100
1989	Jan	$89,700	$143,800	$67,800	$82,400	$130,700	$113,000	$155,400	$78,700	$ 98,900	$150,000
	Feb	91,900	142,600	69,900	86,700	127,800	117,800	154,100	80,600	112,400	148,500
	Mar	92,000	143,600	69,900	84,000	138,000	116,100	154,500	80,900	103,500	154,900
	Apr	92,900	144,000	70,400	85,200	142,700	118,000	156,400	80,900	104,700	160,500
	May^{r}	32,600	143,800	70,300	84,100	142,300	118,000	156,500	81,400	104,200	160,300
	Jun^{p}	93,200	149,800	72,100	84,900	134,100	118,700	162,800	84,500	103,200	156,500

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS
(Percentage Distribution)

Price Class	June 1985	June 1986	June 1987	June 1988 r	June 1989 p
$ 19,999 or under	1.7	1.3	1.4	1.8	1.4
$ 20,000-$ 29,999	3.1	2.2	2.2	2.3	2.0
$ 30,000-$ 39,999	6.0	4.6	4.7	4.9	4.5
$ 40,000-$ 49,999	9.1	7.9	7.5	7.4	6.2
$ 50,000-$ 59,999	11.3	10.2	9.1	8.5	8.0
$ 60,000-$ 69,999	11.8	11.1	10.5	9.0	9.0
$ 70,000-$ 79,999	10.7	10.4	9.5	9.0	8.6
$ 80,000-$ 89,999	9.2	8.8	8.5	8.3	8.3
$ 90,000-$ 99,999	6.5	6.6	6.6	6.0	6.2
$100,000-$119,999	9.0	9.1	9.3	8.9	8.9
$120,000-$159,999	11.3	12.9	13.0	13.4	13.4
$160,000-$199,999	4.7	6.4	7.3	8.0	8.5
$200,000-$249,999	2.5	3.8	4.5	5.1	5.8
$250,000 and over	3.1	4.7	5.9	7.4	9.2
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$76,500	$82,600	$85,900	$90,200	$93,200

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS
JUNE 1989p
(Percentage Distribution)

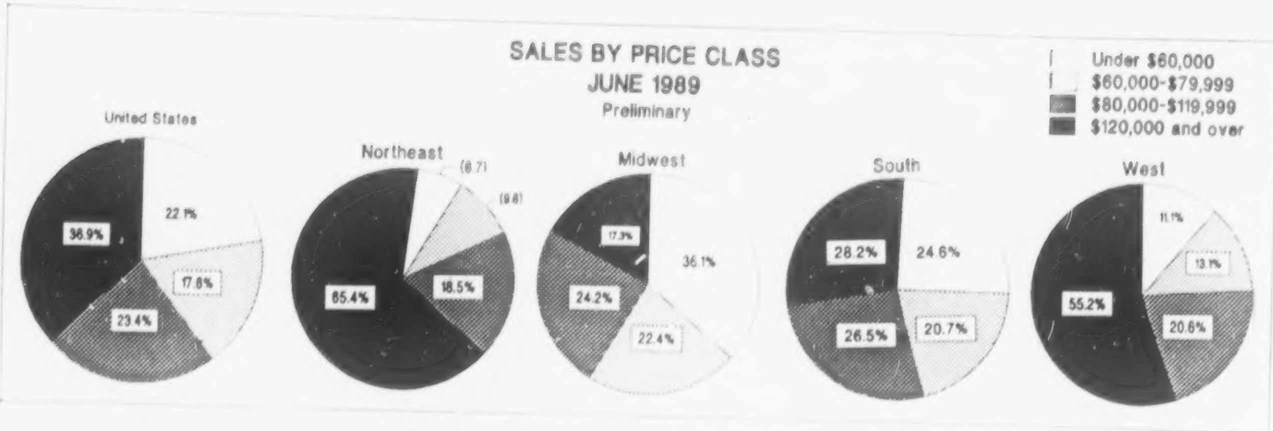
Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	18.4	15.1	17.7	13.2	30.9
3 Bedrooms	53.0	48.2	56.5	57.0	43.4
4 Bedrooms or more	28.6	36.7	25.8	29.8	25.6
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS
JUNE 1989p
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	1.4	1.3	2.6	1.2	0.5
$ 20,000 - $ 29,999	2.0	0.7	3.9	1.9	0.5
$ 30,000 - $ 39,999	4.5	0.8	7.5	5.4	1.6
$ 40,000 - $ 49,999	6.2	1.5	10.2	6.8	3.6
$ 50,000 - $ 59,999	8.0	2.4	11.9	9.3	4.9
$ 60,000 - $ 69,999	9.0	3.7	11.7	10.9	6.2
$ 70,000 - $ 79,999	8.6	4.7	10.7	9.8	6.9
$ 80,000 - $ 89,999	8.3	5.1	9.6	9.5	6.8
$ 90,000 - $ 99,999	6.2	4.1	6.3	7.4	5.6
$100,000 - $119,999	8.9	9.5	8.3	9.6	8.2
$120,000 - $159,999	13.4	21.7	9.4	12.8	13.4
$160,000 - $199,999	8.5	16.4	3.7	7.2	11.4
$200,000 - $249,999	5.8	11.2	1.9	3.4	10.7
$250,000 and over	9.2	16.9	2.3	4.8	19.7
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$93,200	$149,800	$72,100	$84,900	$156,500

p Preliminary



HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes Composite	Fixed	ARM
1983	$70,300	12.85%	$616	30.1%	$24,580	$29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1988	89,300	9.31	591	22.1	32,100	28,360	113.2	103.3	121.6
1988									
Jun	$90,200	9.28%	$595	22.7%	$31,476	$28,570	110.2	100.7	119.4
Jul	90,700	9.32	601	22.8	31,580	28,830	109.5	99.0	118.6
Aug	91,500	9.32	606	22.9	31,684	29,084	108.9	98.1	117.4
Sep	88,500	9.30	585	22.1	31,788	28,081	113.2	101.0	121.5
Oct	88,900	9.41	593	22.3	31,892	28,481	112.0	100.6	120.5
Nov	88,500	9.48	594	22.3	31,996	28,526	112.2	102.8	119.4
Dec	88,700	9.59	601	22.5	32,100	28,864	111.2	103.0	119.3
1989									
Jan	$89,700	9.61%	$609	22.7%	$32,207	$29,240	110.1	101.4	118.3
Feb	91,900	9.78	632	23.5	32,314	30,375	106.4	97.8	113.5
Mar	92,000	9.93	642	23.8	32,421	30,820	105.2	97.8	111.7
Apr	92,900	10.08	657	24.2	32,528	31,517	103.2	96.4	109.1
May^r	92,600	10.46	675	24.8	32,644	32,420	100.7	95.1	106.5
Jun^p	93,200	10.59	687	25.2	32,760	32,978	99.3	96.0	103.7
Jun^p				Regional Housing Affordability					
Northeast	$149,800	10.65%	$1,110	36.3%	$36,723	$53,265	68.9	---	---
Midwest	72,100	10.64	534	19.4	33,039	25,616	129.0	---	---
South	84,900	10.60	626	25.0	30,102	30,066	100.1	---	---
West	134,100	10.51	982	33.9	34,777	47,142	73.8	---	---

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. r Revised p Preliminary

** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Affordability Index	Composite Affordability Index	Affordability GAP (Percent)
1983	$59,800	$5,980	$53,820	12.85%	13.10%	$600	$17,109	$28,799	59.4	83.2	-28.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987	72,700	7,280	65,520	9.28	9.53	552	20,916	26,513	78.9	113.8	-30.7
1988	75,900	7,590	68,310	9.31	9.56	577	21,898	27,714	79.0	113.2	-30.2
1988											
II	$75,900	$7,590	$68,310	9.24%	9.49%	$574	$21,408	$27,547	77.7	111.7	-30.4
III	76,700	7,670	69,030	9.31	9.56	583	21,653	28,006	77.3	111.0	-30.3
IV	75,400	7,540	67,860	9.49	9.74	583	21,898	27,961	78.3	112.2	-30.2
1989											
I	$77,500	$7,750	$69,750	9.77%	10.02%	$613	$22,143	$29,431	75.2	107.2	-29.9
II^p	79,000	7,900	71,100	10.38	10.63	657	22,388	31,550	71.0	101.1	-29.8

* Effective rate on loans closed on existing homes – Federal Home Loan Bank Board. p Preliminary

** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES
(Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1988		357,000	167,000	63,000	87,000	39,000
1988	II	414,000	208,000	74,000	83,000	48,000
	III	340,000	154,000	66,000	87,000	33,000
	IV	320,000	138,000	52,000	92,000	38,000
1989	I	357,000	150,000	70,000	94,000	44,000
	II^p	386,000	201,000	62,000	83,000	39,000

p Preliminary

TOTAL EXISTING HOME SALES SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS
(Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1988		3,951,000	840,000	992,000	1,437,000	681,000
1988	II	4,060,000	900,000	1,010,000	1,450,000	690,000
	III	4,000,000	830,000	990,000	1,470,000	710,000
	IV	4,090,000	810,000	1,020,000	1,530,000	730,000
1989	I	3,840,000	780,000	980,000	1,390,000	690,000
	II^p	3,720,000	790,000	950,000	1,350,000	640,000

p Preliminary

MEDIAN SALES PRICE OF APARTMENT CONDOS AND CO-OPS, QUARTERLY
(Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1988		83,100	110,600	60,600	64,500	108,900
1988	II	$83,600	$110,300	$60,600	$65,400	$107,500
	III	83,300	110,300	61,500	63,500	112,500
	IV	83,500	111,400	61,900	63,900	109,800
1989	I	$83,700	$107,000	$64,300	$67,900	$111,100
	II^p	84,800	111,500	65,900	68,800	107,700

p Preliminary

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
	1986	1987	1988	1988			1989	
				II	III	IV	I	II^{p}
Alabama	60.8	59.7	52.6	51.1	55.1	51.1	51.1	46.4
Alaska	6.1	7.7	9.6	8.3	12.0	10.1	6.2	10.3
Arizona	73.8	67.3	64.4	60.0	69.2	71.2	65.3	56.0
Arkansas	52.8	48.2	46.6	51.2	46.8	47.9	46.2	40.1
California*	484.6	507.0	562.8	566.9	587.4	593.9	615.1	523.7
Colorado	47.5	46.7	49.3	49.9	53.1	50.7	48.3	43.4
Connecticut	52.0	52.5	57.1	59.1	55.4	59.1	56.4	51.3
Delaware	12.9	14.0	13.3	14.1	13.3	13.1	12.2	13.4
District of Columbia	11.6	10.5	10.8	10.4	10.7	11.4	10.0	8.1
Florida	169.4	184.2	183.1	184.2	193.0	179.8	193.0	173.2
Georgia	75.1	89.0	84.9	84.3	76.3	88.3	85.9	82.0
Hawaii	10.0	11.5	10.3	10.5	10.0	9.9	13.4	12.0
Idaho	11.3	10.9	11.3	11.3	11.5	11.5	13.6	12.1
Illinois	179.2	175.3	186.5	180.2	191.8	203.4	197.6	170.5
Indiana	86.1	89.8	85.1	91.9	80.4	81.4	91.9	84.6
Iowa	46.1	48.3	54.0	53.6	57.4	56.8	45.3	45.9
Kansas	54.4	54.4	50.6	49.0	51.9	50.2	48.5	44.4
Kentucky	58.6	64.1	67.9	68.6	69.2	65.4	75.7	66.0
Louisiana	34.0	40.4	34.5	29.6	33.4	42.8	35.7	31.6
Maine	30.8	35.2	34.2	36.3	35.0	31.4	30.5	32.4
Maryland	86.9	78.5	86.2	80.1	89.6	97.1	89.6	75.4
Massachusetts	84.6	100.5	93.3	95.3	92.8	88.4	91.6	93.5
Michigan	186.6	169.6	168.6	177.6	160.6	160.6	194.6	179.5
Minnesota	96.8	89.4	82.4	78.9	79.6	88.6	66.2	64.8
Mississippi	34.2	34.2	30.6	30.4	28.8	33.9	31.6	28.8
Missouri	88.4	88.4	83.1	77.2	82.3	78.2	90.4	75.2
Montana	11.9	11.6	11.9	11.8	12.2	12.8	11.6	13.3
Nebraska	25.5	23.3	22.4	21.0	22.0	23.1	27.2	24.4
Nevada	11.0	12.2	12.2	10.9	13.1	13.6	12.0	10.9
New Hampshire	20.3	19.2	15.3	14.6	15.6	15.0	14.0	12.0
New Jersey	159.6	157.3	142.3	159.6	130.9	122.8	151.5	131.8
New Mexico	19.5	20.0	18.6	20.5	18.5	17.9	20.2	17.1
New York	216.8	223.9	213.4	218.2	216.3	208.7	201.1	185.9
North Carolina	139.2	140.6	141.8	143.3	146.1	141.4	121.4	128.1
North Dakota	9.5	11.2	11.2	11.5	11.2	10.7	13.6	10.7
Ohio	179.9	180.9	181.9	185.7	176.0	181.9	212.8	170.2
Oklahoma	49.4	44.6	49.6	46.8	52.1	52.8	55.1	52.1
Oregon	45.0	48.5	53.1	53.2	55.2	55.8	57.8	56.5
Pennsylvania	258.3	259.5	276.5	267.8	291.6	283.7	253.6	190.2
Rhode Island	13.5	13.4	13.8	15.8	13.4	12.7	14.6	12.8
South Carolina	58.0	60.9	63.3	65.0	70.6	61.7	52.3	59.3
South Dakota	13.2	13.0	14.2	11.5	14.7	16.1	21.8	9.8
Tennessee	112.0	111.2	102.6	102.0	97.2	109.9	112.3	96.4
Texas	198.9	224.3	238.5	229.3	246.3	254.8	240.6	209.5
Utah	14.6	14.6	14.3	14.0	14.3	14.8	13.5	15.1
Vermont	12.4	12.9	13.4	14.4	13.5	11.6	14.1	11.5
Virginia	130.4	113.0	113.6	112.5	113.6	118.0	108.0	93.7
Washington	50.6	43.6	48.9	49.7	51.5	47.1	57.6	52.3
West Virginia	39.7	36.6	44.5	46.5	38.0	36.4	64.2	43.6
Wisconsin	76.9	73.3	72.2	73.8	65.2	81.5	73.8	71.4
Wyoming	6.1	6.0	5.8	6.3	5.9	5.5	6.9	5.7

* Provided by the California Association of REALTORS®.

p Preliminary

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS* (Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
	1986	1987	1988	1988			1989	
				II	III	IV	I	II^{P}
Akron, OH	$ 56.2	$ 57.1	$ 59.9	$60.1	62.6	58.4	56.0	62.9
Albany/Schenectady/Troy, NY	72.7	86.4	92.2	91.1	92.3	100.1	102.1	104.2
Albuquerque, NM	81.6	82.6	80.4	81.6	83.4	75.8	82.0	84.5
Orange County(Anaheim/Santa Ana MSA), CA**	147.7	167.3	206.9	200.0	217.4	226.4	237.8	247.6
Atlanta, GA	n/a	n/a	n/a	n/a	81.1	80.5	80.3	83.8
Baltimore, MD	74.0	81.1	88.7	87.3	92.3	89.6	92.2	95.1
Baton Rouge, LA	70.9	67.8	64.7	64.5	64.1	64.8	61.1	64.7
Birmingham, AL	68.3	71.6	75.7	76.5	77.3	74.9	77.3	77.8
Boston, MA	159.2	177.2	181.2	182.9	183.8	179.3	177.0	188.6
Buffalo/Niagara Falls, NY	52.4	56.7	65.6	64.8	66.6	67.5	68.7	71.5
Charleston, SC	n/a	72.7	73.1	73.5	74.4	71.3	72.4	75.0
Charlotte, NC	n/a	n/a	n/a	n/a	81.1	80.5	85.2	85.0
Chattanooga, TN	55.3	59.0	63.5	63.2	64.2	64.9	65.6	64.6
Chicago, IL	86.1	90.8	98.9	99.3	100.8	98.4	99.6	105.0
Cincinnati, OH	n/a	66.1	69.7	69.6	71.8	70.2	72.9	78.9
Cleveland, OH	66.9	68.1	69.2	69.9	69.8	69.3	69.4	76.2
Columbia, SC	67.2	68.4	69.7	70.6	70.7	68.7	71.9	73.5
Columbus, OH	65.5	68.7	72.6	73.4	74.5	74.6	73.9	76.7
Corpus Christi, TX	66.0	65.9	64.9	64.8	63.2	66.5	63.2	64.7
Dallas, TX	93.2	90.8	90.8	90.5	88.6	87.0	89.8	92.4
Daytona Beach, FL	57.7	60.2	62.6	63.3	62.7	64.1	59.5	63.8
Dayton/Springfield, OH	57.3	59.4	63.3	63.4	63.8	63.6	64.4	67.0
Denver, CO	86.4	88.9	81.8	83.4	81.1	79.7	80.8	84.2
Des Moines, IA	55.9	55.6	55.8	58.2	55.0	54.8	57.3	58.1
Detroit, MI	58.1	65.6	73.1	72.3	76.4	73.4	71.9	73.1
El Paso, TX	59.0	59.2	59.6	60.5	62.0	58.8	57.2	64.2
Ft.Lauderdale/Hollywood/Pompano Beach, FL	77.7	79.6	81.1	79.2	84.7	81.4	82.1	82.8
Ft. Worth, TX	87.9	80.0	73.3	70.7	73.9	73.6	73.6	77.2
Grand Rapids, MI	50.4	53.5	57.9	58.3	59.0	59.2	59.2	64.8
Greenville/Spartanburg, SC	64.3	64.2	65.9	64.9	68.7	64.5	60.8	69.1
Hartford, CT	129.0	157.4	167.6	169.0	168.8	165.0	165.5	165.1
Honolulu, HI	172.0	186.0	215.1	198.7	226.0	225.0	245.0	262.5
Houston, TX	69.9	65.9	61.8	63.5	65.5	56.8	62.9	68.7
Indianapolis, IN	59.0	62.5	66.1	66.7	67.5	66.6	68.0	70.9
Jacksonville, FL	62.8	65.1	67.7	67.4	67.2	67.9	65.9	67.0
Kansas City, MO/KS	65.4	69.8	70.5	71.9	69.9	69.3	73.8	72.7
Knoxville, TN	60.3	65.4	67.0	65.5	69.1	66.9	69.8	70.3
Lansing, MI/East Lansing, MI	52.4	54.5	56.6	57.8	57.0	56.2	57.9	59.4
Las Vegas, NV	77.5	77.0	78.8	77.9	80.7	80.2	80.5	84.4
Lexington/Fayette, KY	67.7	72.5	73.5	72.7	75.3	75.4	74.9	78.3
Little Rock/N. Little Rock, AR	63.2	63.1	63.9	63.1	65.6	63.8	63.4	63.5
Los Angeles Area, CA**	128.8	147.7	179.4	174.9	189.2	191.1	201.0	218.0
Louisville, KY	51.7	51.7	54.5	54.1	56.0	55.1	56.7	58.4
Madison, WI	66.4	69.2	72.0	71.8	74.2	70.7	74.7	76.8
Memphis, TN	70.6	75.0	76.3	76.8	76.6	74.5	77.0	88.0
Miami/Hialeah, FL	81.1	81.1	82.9	83.5	82.6	84.0	83.0	78.9
Milwaukee, WI	69.9	70.5	74.5	75.3	75.6	73.1	76.0	81.2
Minneapolis/St Paul, MN	77.9	80.5	85.2	84.3	86.0	87.2	85.9	87.0
Mobile, AL	52.9	55.6	53.0	49.7	56.1	55.8	50.9	55.4
Montgomery, AL	61.0	64.8	64.5	65.6	65.3	63.6	66.0	69.7
Nashville/Davidson, TN	70.8	75.5	77.6	78.3	78.1	76.5	79.6	79.3
New Haven/Meridan, CT	n/a	156.9	169.4	168.9	173.5	160.2	166.7	156.1
New Orleans, LA	n/a	n/a	73.1	73.2	74.8	70.9	68.4	67.9
NewYork/N. NewJersey/Long Island, NY/NJ/CT	160.6	183.5	183.8	194.0	192.1	179.8	179.7	185.2
Oklahoma City, OK	63.0	62.3	56.2	56.9	57.9	53.5	52.3	52.3
Omaha, NE	58.8	59.0	59.5	58.7	60.3	59.9	60.9	58.6
Orlando, FL	72.5	76.2	79.1	77.7	81.3	78.1	79.1	79.1
Peoria, IL	45.7	46.5	45.0	46.0	45.8	44.3	42.0	47.7
Philadelphia, PA	82.4	97.0	102.4	101.9	106.5	104.1	104.7	108.8
Phoenix, AZ	78.4	80.9	80.0	79.1	82.3	79.6	78.5	82.2
Pittsburgh, PA	n/a	n/a	63.2	62.2	66.3	62.8	62.4	65.2
Portland, OR	62.6	64.2	64.4	64.9	64.8	64.8	67.1	68.8

METROPOLITAN AREA DATA (continued):

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

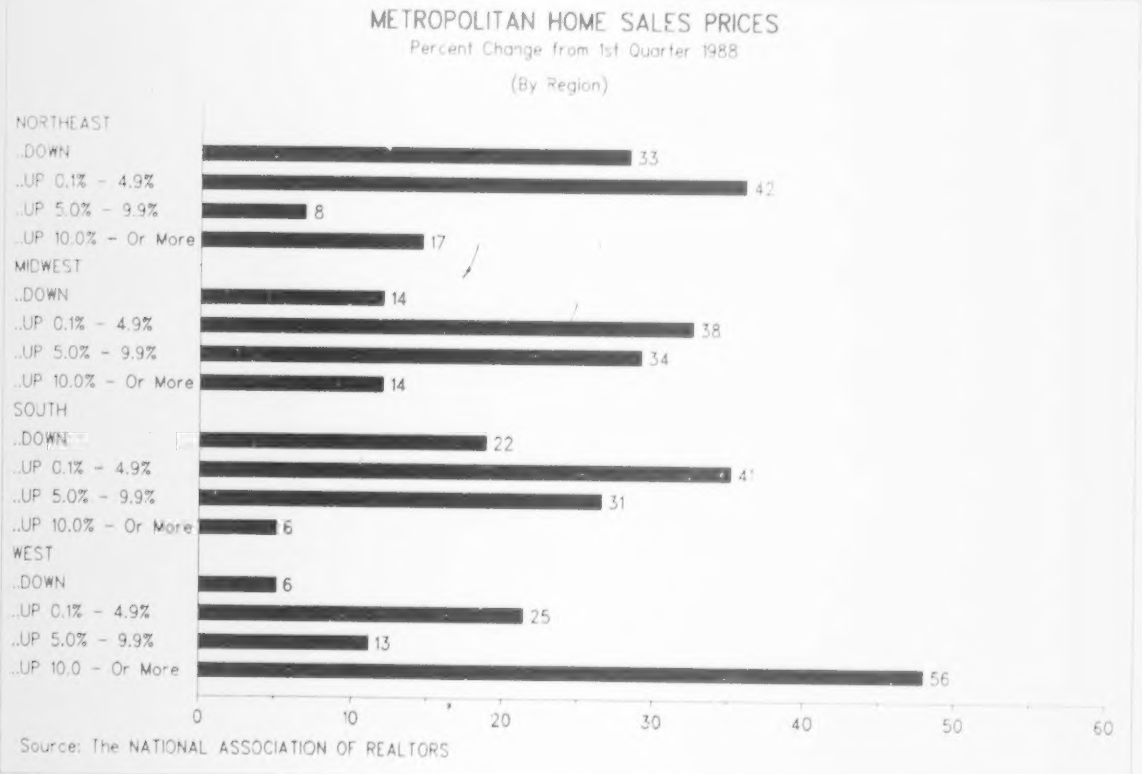
(Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
				1988			1989	
	1986	1987	1988	II	III	IV	I	II^{p}
Providence, RI	87.6	121.4	130.6	130.4	131.9	133.0	128.8	130.9
Raleigh/Durham, NC	89.5	98.0	97.0	99.8	100.0	97.6	102.0	99.4
Riverside/San Bernardino, CA**	94.5	96.1	106.7	104.9	109.6	113.2	116.1	122.2
Rochester, NY	68.3	72.5	75.7	73.7	78.3	76.3	76.4	76.8
Sacramento, CA**	n/a	87.5	95.3	92.3	100.2	97.4	100.3	107.2
Salt Lake City/Ogden, UT	68.5	69.4	67.7	66.9	70.0	67.7	67.8	69.9
San Antonio, TX	69.2	70.2	65.0	65.2	68.2	62.1	61.6	63.0
San Diego, CA**	118.2	129.2	147.8	142.6	152.1	157.2	163.9	176.6
San Francisco Bay Area, CA**	161.2	171.3	212.6	202.8	218.9	232.4	244.0	265.7
Seattle/Tacoma, WA	n/a	82.6	88.7	93.6	89.8	91.9	99.7	109.1
Spokane, WA	53.3	51.2	51.1	52.9	50.9	50.3	50.2	51.8
Springfield, MA	87.6	105.2	118.4	105.8	127.4	121.7	124.4	126.7
St. Louis, MO	70.9	74.3	78.1	79.5	81.1	75.7	81.4	75.3
Syracuse, NY	64.3	68.9	74.6	74.9	75.4	75.9	76.9	78.9
Tampa/St.Petersburg/Clearwater, FL	61.1	63.8	65.6	65.5	67.9	66.2	68.6	72.5
Toledo, OH	56.0	56.3	58.4	59.7	59.9	56.4	57.7	62.4
Tulsa, OK	65.5	65.7	65.0	65.0	65.5	65.3	60.5	62.6
Washington, DC/MD/VA	101.6	114.2	132.5	131.2	135.8	130.1	143.7	139.9
W. Palm Beach/Boca Raton/Delray Beach, FL	92.6	102.6	99.0	94.8	107.4	102.0	94.4	96.2
Wichita, KS	n/a	n/a	60.1	60.3	62.0	59.6	60.4	61.6
Worcester, MA	n/a	139.1	147.5	146.0	153.0	143.1	146.8	138.7

n/a Not Available p Preliminary

* All areas are metropoiitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas.

** Provided by the California Association of REALTORS®.



METROPOLITAN HOME SALES PRICES

Percent Change from 1st Quarter 1988

(By Region)

Source: The NATIONAL ASSOCIATION OF REALTORS

METROPOLITAN AREA HOUSING AFFORDABILITY
Selected Metropolitan Areas by Major Components, Second Quarter: 1989^p

Metropolitan Area***	Median-Priced Existing Single-Family Home	Mortgage Rate*	Median Family Income	Qualifying Income**	Composite Afford-ability Index
Baltimore, MD	$95,100	10.51	$37,836	$33,432	113.2
Boston, MA	188,600	10.56	44,460	66,573	66.8
Chicago, IL	105,000	10.37	36,051	36,491	98.8
Cleveland, OH	76,200	10.58	35,840	26,941	133.0
Dallas/Ft. Worth, TX	87,700	10.51	42,096	30,831	136.5
Denver, CO	84,200	10.00	40,177	28,374	141.6
Detroit, MI	73,100	10.62	38,021	25,929	146.6
Houston, TX	68,700	10.53	43,053	24,191	178.0
Indianapolis, IN	70,900	10.20	39,783	24,296	163.7
Kansas City, MO/KS	72,700	10.00	36,196	24,499	147.7
Los Angeles Area, CA#	218,000	10.16	34,343	74,455	46.1
Miami/Hialeah, FL	88,000	10.17	29,741	30,080	98.9
Milwaukee, WI	81,200	10.38	37,536	28,243	132.9
Minneapolis/St Paul, MN	87,000	10.34	43,689	30,161	144.9
NewYork/N. NewJersey/Long Island, NY/NJ/CT	185,200	10.04	30,607	62,587	48.9
Philadelphia, PA	108,600	10.32	37,739	37,241	101.3
Phoenix, AZ	82,200	10.29	35,534	28,379	125.2
Pittsburgh, PA	65,200	10.53	29,950	22,958	130.5
St. Louis, MO	75,300	10.06	37,296	25,503	146.2
San Diego, CA#	176,600	10.07	33,962	59,863	56.7
San Francisco Bay Area, CA#	265,700	9.96	43,315	84,937	51.0
Washington, DC/MD/VA	139,900	10.21	51,199	47,980	106.7

p Preliminary

* Effective rate on loans closed on existing homes - Federal Home Loan Bank Board

** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment

*** All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas.

# Note: The California Association of REALTORS® publishes a housing affordability index for areas within the state which differs significantly from these values because it measures the proportion of households which could theoretically afford to purchase the median price home rather than the ability of a median income family to carry the mortgage. California data is provided for comparison only and is not to replace the currently available measures. The indices are roughly consistent.

HOUSING AFFORDABILITY INDEX FOR METROPOLITAN AREAS

Metropolitan Area*	Years			Quarters				
	1986	1987	1988	1988			1989	
				II	III	IV	I	II^p
Baltimore, MD	125.5	133.8	129.0	128.8	123.2	128.4	122.8	113.2
Boston, MA	69.9	72.6	74.5	76.4	72.4	73.5	73.2	66.8
Chicago, iL	109.9	116.2	110.1	109.0	108.0	109.9	107.4	98.8
Cleveland, OH	140.0	152.7	154.0	154.6	154.3	152.5	150.5	133.0
Dallas/Ft. Worth, TX	117.7	132.5	143.2	143.2	141.9	147.3	142.7	136.5
Denver, CO	122.4	127.0	143.8	139.2	144.9	154.3	153.2	141.6
Detroit, MI	166.7	166.5	154.3	155.9	149.9	152.3	151.5	146.6
Houston, TX	150.9	182.5	199.8	196.3	184.2	219.1	197.1	178.0
Indianapolis, IN	161.1	176.4	177.3	178.1	172.6	170.6	169.7	163.7
Kansas City, MO/KS	147.2	149.5	157.2	156.8	156.5	156.2	146.1	147.7
Los Angeles Area, CA#	69.5	72.9	61.2	61.6	58.2	56.8	53.2	46.1
Miami/Hialeah, FL	94.3	108.8	113.4	111.2	112.9	111.9	109.9	98.9
Milwaukee, WI	147.6	162.1	149.3	148.4	149.2	151.9	142.6	132.9
Minneapolis/St. Paul, MN	148.4	164.1	156.7	159.4	159.9	144.6	158.9	144.9
New York/N. New Jersey/Long Island, NY/NJ/CT	49.3	50.4	50.6	49.3	49.8	53.0	51.5	48.9
Philadelphia, PA	112.4	110.3	108.9	110.6	105.5	106.2	105.6	101.3
Phoenix, AZ	117.9	130.6	134.7	137.0	133.5	133.7	135.1	125.2
Pittsburgh, PA	n/a	n/a	144.6	152.3	138.5	139.5	137.7	130.5
St. Louis, MO	137.4	147.3	150.0	144.7	143.1	150.2	136.8	146.2
San Diego, CA#	77.2	83.9	72.2	78.8	73.1	68.3	65.6	56.7
San Francisco Bay Area, CA#	69.9	76.8	69.0	71.2	66.4	61.2	56.1	51.0
Washington, DC/MD/VA	126.4	129.2	119.0	120.2	117.1	121.7	110.8	106.7

p Preliminary

* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas.

# Note: The California Association of REALTORS® publishes a housing affordability index for areas within the state which differs significantly from these values because it measures the proportion of households which could theoretically afford to purchase the median price home rather than the ability of a median income family to carry the mortgage. California data is provided for comparision only and is not to replace the currently available measures. The indices are roughly consistent.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED (Thousands of Units)

Year		Total	In structures with – – 1 unit	2 to 4 units	5 units or more	Regions Northeast	Midwest	South	West
1983		1,703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
1988		1,488	1,080	59	349	235	274	574	404
					Seasonally Adjusted Annual Rates				
1988	Jun	1,463	1,088	62	313	238	262	585	378
	Jul	1,478	1,067	50	361	255	283	566	374
	Aug	1,459	1,076	59	324	217	239	573	430
	Sep	1,463	1,039	62	362	206	258	576	423
	Oct	1,532	1,136	63	333	198	273	582	479
	Nov	1,567	1,138	68	361	219	275	613	460
	Dec	1,577	1,141	65	371	201	343	609	424
1989	Jan	1,678	1,199	66	413	293	313	642	430
	Feb	1,465	1,029	62	374	224	273	572	396
	Mar	1,409	981	50	378	160	308	552	389
	Apr[r]	1,343	1,029	62	252	207	274	526	336
	May[r]	1,309	977	40	292	180	246	518	365
	Jun[p]	1,400	975	53	372	171	238	548	443

r Revised p Preliminary

Source: Census Bureau, U.S. Department of Commerce

NEW ONE-FAMILY HOUSES SOLD (Thousands of houses sold during period)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987		671	117	97	271	186					
1988		676	101	97	276	202					
			Seasonally Adjusted Annual Rates						Not Seasonally Adjusted		
1988	Jun	716	114	93	286	223	65	11	8	25	20
	Jul	701	104	93	283	221	57	9	8	23	17
	Aug	712	100	98	300	214	59	8	9	25	17
	Sep	691	86	99	261	245	54	7	8	21	18
	Oct	718	96	111	274	238	57	8	9	20	19
	Nov	650	65	104	254	227	43	5	7	17	15
	Dec	669	109	94	263	204	42	7	5	17	12
1989	Jan	700	121	106	265	207	52	8	6	21	17
	Feb	621	84	103	236	198	51	6	8	20	17
	Mar[r]	555	107	99	201	148	58	11	10	21	15
	Apr[r]	609	82	101	244	183	61	7	11	24	19
	May[r]	635	88	96	262	188	60	9	10	24	17
	Jun[p]	670	72	99	267	232	61	7	9	24	21

Components may not agree with totals due to rounding.

r Revised p Preliminary

Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF JUNE
(Percentage Distribution)

Price Class	June 1985	June 1986	June 1987	June 1988^r	June 1989^p
Under $60,000	16	10	9	8	7
$60,000 to $79,999	26	26	16	17	13
$80,000 to $99,999	21	23	20	18	15
$100,000 to $119,999	11	12	12	11	13
$120,000 to $149,999	12	12	13	17	18
$150,000 and over	13	17	30	29	34
Median Sales Price	$86,300	$91,200	$109,000	$111,500	$129,900

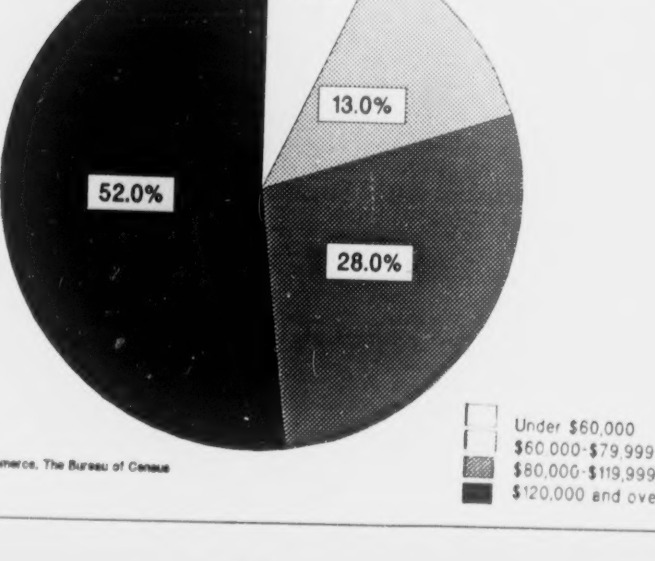
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
SECOND QUARTER 1989^p
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	7	*	10	13	*
$60,000 to $79,999	14	*	13	22	9
$80,000 to $119,999	29	20	30	30	26
$120,000 and over	50	64	47	35	63
Median Sales Price	$120,000	$149,000	$113,500	$96,300	$139,900

* Insufficient Sample Size
p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
JUNE 1989 p
(Percentage Distribution)



Source: U.S. Department of Commerce, The Bureau of Census
p Preliminary

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Washington, D.C. 20005

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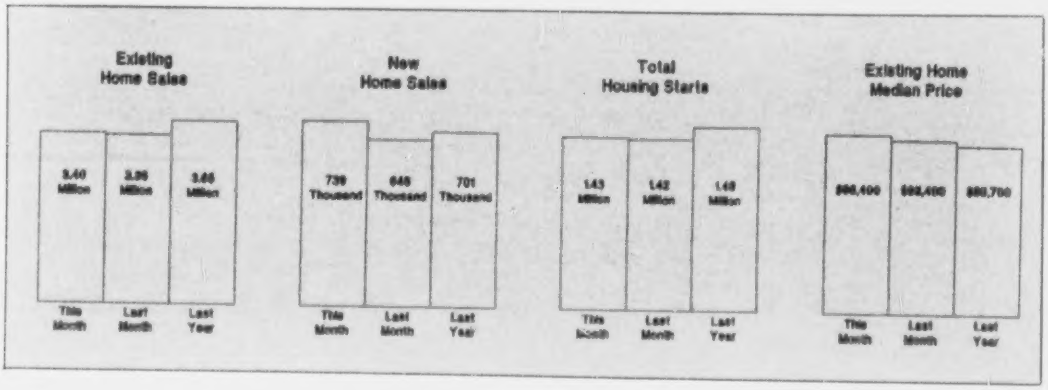
Vol. 3, No. 8

August 1989

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Housing market activity picked up in July as decreasing interest rates cleared the way for more Americans to join the ranks of current homebuyers. In July, existing home sales volume increased 1.2 percent to a seasonally adjusted annual rate of 3,400,000 units while new home sales spurted 14.4 percent to a seasonally adjusted annual rate of 739,000 units.
- The total supply of homes on the market slipped 1.4 percent to 2,691,000 units, 6.7 percent lower than a year ago. While the months' supply of existing homes edged downward by two tenths of a month, the jump in new home sales dropped the supply of new housing dramatically to 6.1 months from 7.3 months.
- While new home construction increased only marginally to a seasonally adjusted annual rate of 1,430,000 units, construction of single-unit structures rebounded 6.3 percent to an annualized rate of 1,041,000 units. A decrease in multifamily construction to an annualized rate of 330,000 units offset the increase in one-unit structures.
- Existing single-family home prices continued into new high ground in July with a 3.2 percent month-to-month increase to $96,400, 6.3 percent above a year ago. New home prices settled back from last month's high by decreasing 3.7 percent to $118,800, still a little above last July's irregularly high $118,000.
- Housing affordability continued to worsen in July. Increasing home prices more than offset lower mortgage interest rates to push the Housing Affordability Index down to 98.0, the fifth straight monthly decrease.

NATIONAL ASSOCIATION OF REALTORS®
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SURVEY DESCRIPTION

Publication

1. Home Sales is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage

2. Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 450 Boards of REALTORS® and multiple listing systems across the country. In 1988, data on over 1,140,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions

4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows:

NORTHEAST

Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH

Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST

Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST

Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	.14	South	.35
Midwest	.28	West	.23

Sales Volume

6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant "blow-up" factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report "closings". To the extent "closings" are contained in this series, they introduce a "distributive lag" effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price

10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a standard home. Prices are influenced by changes in cost and changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are not seasonally adjusted.

Seasonal Adjustment

13. Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading-day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium/cooperative sales and state home sales are based on quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

EQUAL HOUSING OPPORTUNITY

THE NATIONAL ASSOCIATION OF REALTORS® is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. The Association encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin.

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GROWTH COMMUNITIES

The question of where the American people live, and which communities are growing most rapidly is of interest not only to those who build and sell houses, but also to businesses that provide goods and services used by the sellers or buyers of those homes. Increasingly this question is also of interest to those businesses who want to locate near the chosen residences of most Americans. Even local and state governments need to know how characteristics of communities are changing so schools, fire and police departments and other services may be located conveniently.

Since the conclusion of World War II the suburbanization of America has been in full swing – and despite media hoopla about the gentrification of our cities, urban renewal progress, and frustration with long commutes to affordable housing, etc., population growth during the 1980s has still been concentrated in the urban areas outside the central cities. In other words, suburban growth continues. In fact, between 1980 and 1986 (the most recent data) the Census Bureau reported an 8.9 percent population increase in suburban areas compared to only 4.7 percent in central cities. While one might guess at first that this growth rate is relative to a lower initial population base, the fact is that a substantially larger number of Americans live in suburban areas – 109 million compared to 76 million city dwellers.

Naturally, not all areas are growing at the same rate, and comparisons of growth rates are especially fascinating to the real estate community. Even with the resurgence of the Northeast during this period and the severe economic dislocations in the Oil Patch, the fifty fastest growing suburban areas this decade are heavily concentrated in the South and West. Only two suburban areas in New Hampshire were able to break the Sunbelt's strangle hold on honors ratings for rapid growth areas.

Even more impressive is the fact that over half of the 50 most rapidly growing suburban areas during the 1980s are in only two states – Florida with 14 and Texas with 12. Next came California with five high growth suburban areas and Colorado with three. No other state recorded more than two.

Talking about high growth areas in the abstract does not provide an understanding of the strain being placed on the real estate market or local government or business services in those areas. For that we need information on just how rapidly these areas have grown. The suburbs of Naples, Florida topped the Census Bureau's high growth list, with their 1986 population 49.1 percent higher than in 1980. Even the slowest growing of these 50 suburban areas experienced nearly a 20 percent growth in population in the first six years of this decade – that's Oklahoma City's 18.9 percent growth.

Understandably, the areas with the most rapid growth rates tend to have suburban populations between 100,000 and 200,000, but eleven of the top 50 areas are in places where the suburban population already exceeds half a million people – hardly small communities. The largest high-growth suburban area during this decade has been suburban Atlanta, which in 1986 had a population of approximately 2.1 million.

Of course, making the high growth list is no guarantee that the growth times will persist. The problems in the Oil Patch, which can be primarily dated to the mid-1980s will result in many Texas, Oklahoma, and Colorado communities moving to much lower rankings when data is finally available on the entire decade. Similarly, growth has slowed measurably in Phoenix, which through the early years of the decade was occupying 14th place. These changes in economic and demographic climates feed directly into housing market activity – leading first to an oversupply of newly constructed homes and later to a slowdown in the pace of resale housing activity and often to sluggish price behavior or in the case of areas undergoing severe economic turmoil actual declines in home values.

One final comment about these high growth communities. While some of them are in high housing cost areas, most of these suburban areas are in places where affordable housing can still be found and constructed. Increasingly, businesses are factoring the quality of life, including the ability of their employees to purchase homes into their location or relocation decisions – thus home sales affects population growth which affects home sales. Clearly we cannot focus exclusively on the supply side of the resale housing markets in Home Sales. Look for further demographic commentaries in future issues.

Glenn E. Crellin
Division Vice President

JULY HOUSING MARKETS

Housing markets showed further improvement in July as the Fed adjusted the economy's glidepath to avoid a stall while on the way to a soft landing. A lowering of interest rates coupled with continuing moderate economic expansion brought potential homebuyers into the marketplace. Existing home sales volume increased for the second month in a row, posting a 1.2 percent month-to-month increase to a seasonally adjusted annual rate of 3,400,000 units, still 6.8 percent below the same month a year ago. New home sales jumped a whopping 14.4 percent from last month to reach a seasonally adjusted annual rate of 739,000 units, 5.4 percent above a year ago and the highest level in the past twelve months.

When resale markets are viewed on a regional basis month-to-month comparisons point to mixed performances with two regions reporting increases and two reporting decreases. After sales volume reached a three-year low in July, easier money and softer prices pushed volume in the Northeast up a hefty 9.8 percent to a seasonally adjusted annual rate of 560,000 units – an improvement, but still 18.8 percent below the level of July 1988. Activity was also higher in the South where volume rose 3.1 percent to an annual rate of 1,320,000 units, the highest level of the year. The pace of activity in the Midwest and West was down about 5.0 percent to 910,000 units and 570,000 units, respectively.

New home sales moved higher in all four regions. After being in the doldrums for most of the past 12 months, receding interest rates and softer prices spurred homebuyers in the Northeast into action. New home sales in that region jumped 55.8 percent above the June rate to a 120,000 unit pace. Strong economic conditions in the Midwest helped push sales volume up 23.8 percent to an annual rate of 125,000 units. The West also reported a relatively strong 8.9 percent increase to a 232,000 unit clip. While the South was not as responsive to the lower interest rates it still registered a 2.4 percent gain to 261,000 units.

Inventory Available for Sale

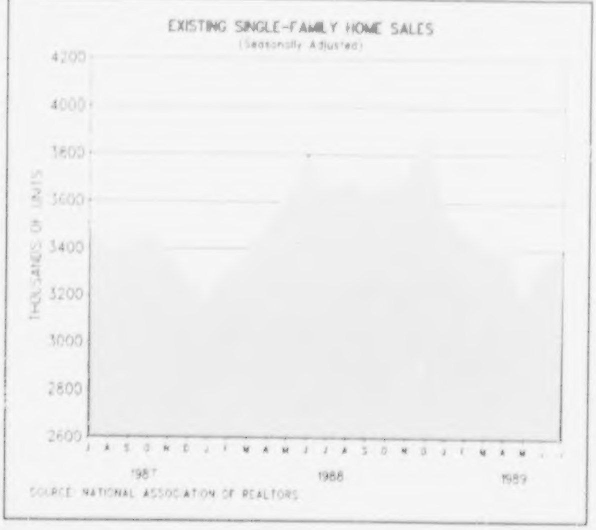
The total number of homes on the market decreased by 38,000 units, down a modest 1.4 percent from last month. Both existing and new home inventories reported modest declines of 1.3 percent and 2.1 percent, respectively.

While the inventories of existing and new homes were only down a little this month, a look at the months' supply of homes on the market points to a sharp change in that statistic. Whereas the supply of existing homes slipped to 8.2 from 8.4 months, the supply of new homes fell abruptly from 7.3 months to 6.1 months, directly reflecting the sharp jump in the rate of new home sales in July. This is as low as this measure has been during the current 12-month period.

Housing Construction

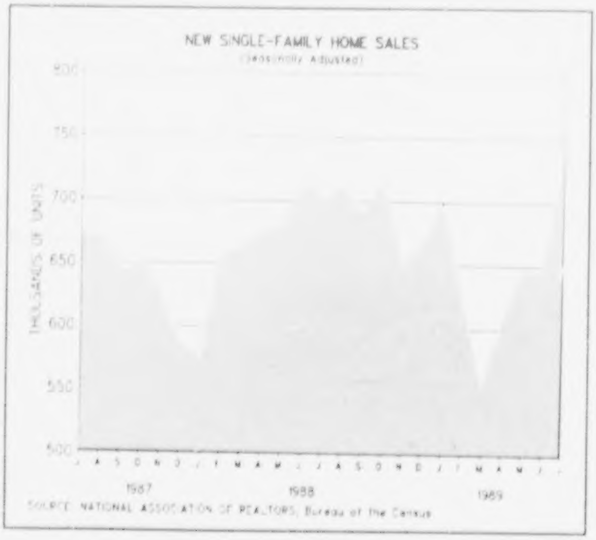
The overall rate of new construction increased modestly in July as decreasing interest rates and increasing home sales brightened builders' expectations of a pickup in demand.

New privately-owned housing units started edged upwards by a slim 0.8 percent to a seasonally adjusted annual rate of 1,430,000 units, 3.2 percent below the same month a year ago. Construction of new single-family homes rose 6.3 percent to 1,041,000 units, the highest rate since January.



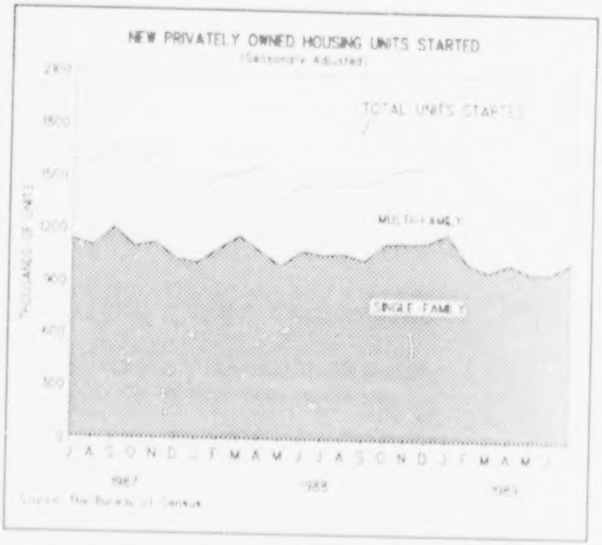
EXISTING SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS



NEW SINGLE-FAMILY HOME SALES
(Seasonally Adjusted)

SOURCE: NATIONAL ASSOCIATION OF REALTORS, Bureau of the Census



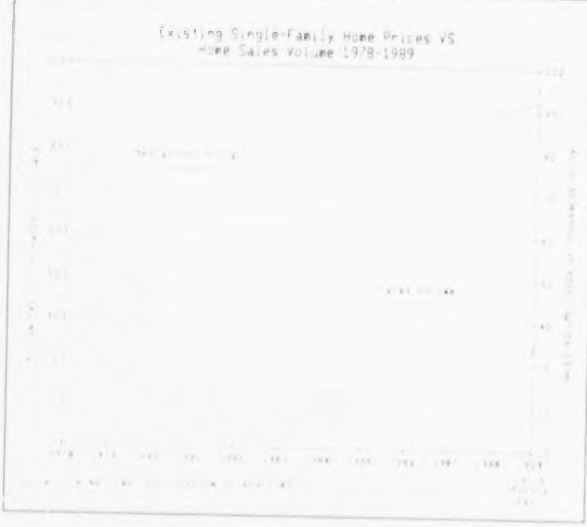
Source: The Bureau of Census

New home construction at the regional level was mixed. Activity in the Northeast paralleled both new and existing single-family sales by jumping 16.0 percent above last month to a seasonally adjusted annual rate of 196,000 units. Activity in the Midwest was also stronger, up 11.0 percent to an annualized rate of 272,000 units. By contrast, the South and West reported moderate month-to-month declines of slightly more than four percent to 530,000 units and 432,000 units, respectively.

Home Sales Prices

Existing and new single-family home prices moved in opposite directions in July. The median price of an existing single-family home increased $3,000 to hit a new high of $96,400 in July, 6.3 percent above a year ago. By contrast, the median new home price decreased $4,600 to $118,800 after posting a new high of $123,400 in June. Despite this decrease, the July new home median price is still about one percent higher than a year ago. This should not be interpreted as a signal of weakening prices insofar as the new home price statistic is volatile and tends to make wide swings within its general uptrend.

Regional comparisons point to continuing upward pressure on prices across the United States. A view of monthly price changes shows existing single-family home prices were generally higher with the exception of the Northeast. The median price in the Northeast slipped a modest 1.3 percent to $147,900 after hitting a new high last month. This was still 2.2 percent above the same month a year ago. The Midwest posted its second straight new high with a $1,500 price increase to $73,500, 5.9 percent above last year. The median price in the South also hit a new high in jumping $3,200 to $88,200, 4.1 percent above July of last year. Prices in the West increased by $3,700 to $138,200, slightly below their all-time high reached in April and 10.3 percent above the year ago figure.

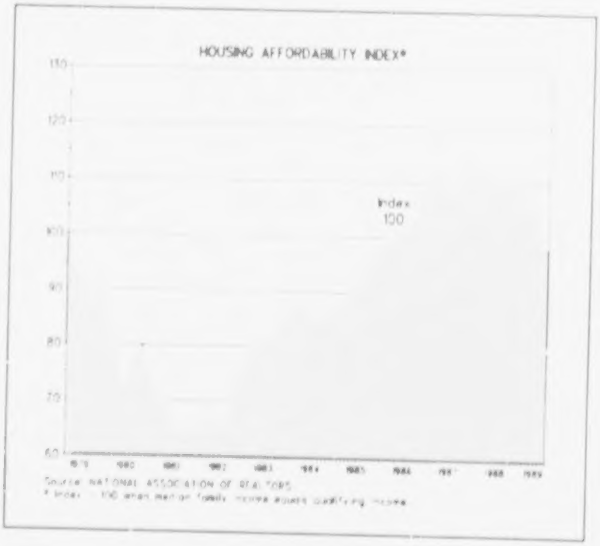


Resale Housing Affordability

The increase in the median price of an existing single-family home drove the Housing Affordability Index to its lowest level since October 1985. A $3,000 increase in the median price of an existing single-family home more than offset a 20 basis point drop in the effective mortgage interest rate to push the Housing Affordability Index down to 98.0 from last month's 99.1. This was the eighth straight monthly decline for this indicator.

At its present level, the index means that a family earning the median family income of $32,876 has 98.0 percent of the income required to marginally qualify for a conventional loan covering 80 percent of the median existing single-family home price of $96,400.

While the Fed's slight easing of interest rates has spurred home sales to a higher level, the rising prices accompanying the surge in this activity had a negative impact on the index itself. As prices begin to reflect the

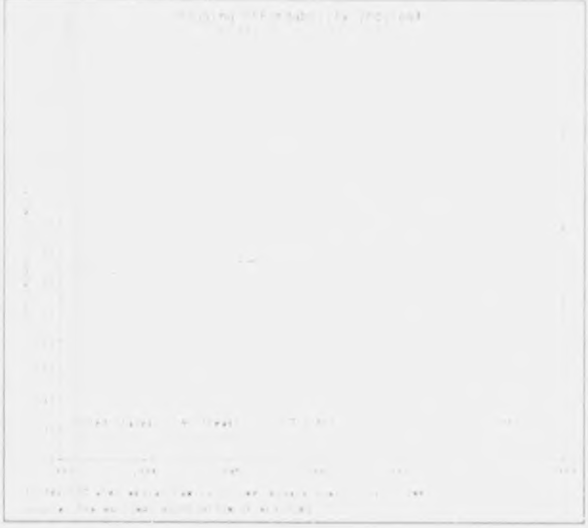


Source: NATIONAL ASSOCIATION OF REALTORS
* Index = 100 when median family income equals qualifying income.

seasonality of home sales, the typical fall slowdown in sales and softening of prices should result in some improvement in housing affordability.

It should be noted here that with this issue of Home Sales, we are adding another item to our housing affordability menu. So that we may provide another geographic dimension to housing affordability, we have added a Regional Housing Affordability Index to illustrate the extent to which affordability varies across the four major regions of the country. The Regional Housing Affordability Index appears at the foot of the national Housing Affordability Index table on page 12 of this issue.

In July, regional housing affordability was mixed. Affordability in the Northeast benefitted from decreases in both the median price of a single-family home and mortgage interest rates which pushed that region's affordability index up 1.6 points to 70.5. Affordability in the Midwest improved a marginal two tenths of one percent to 129.2 as a decrease in mortgage interests tended to offset an increase in home prices. A $3,300 jump in the median price in the South significantly offset a small decrease in interest rates in that region's affordability index, pushing it down 2.3 points to 97.8. Price increases in the West also overshadowed decreasing interest rates and nudged the affordability in the West marginally lower to 73.5.



It is too early to tell just how much the first-time homebuyer may have benefitted from the recent downturn in mortgage interest rates. The revised second quarter first-time homebuyer index was one tenth of a point higher than last month's preliminary figure and currently stands at 71.0 with the affordability gap (the percentage difference between the two indexes) remaining at -29.8.

Condominium/Cooperative Resales

Overall apartment condo/co-op sales strengthened in the second quarter as increased volume in the Northeast more than offset decreases in activity in the other three regions. Total apartment condo and co-op sales volume jumped 8.7 percent to a seasonally adjusted annual rate of 388,000 units, the second straight quarterly increase.

The appeal of relatively cheaper condos and co-ops sparked a 35.3 percent rebound in condo/co-op sales activity in the Northeast boosting the seasonally adjusted annual rate to 203,000 units, still 2.4 percent below the level of a year ago. The Midwest and West reported identical decreases of 11.4 percent to rates of 62,000, 16.3 percent below a year ago, and 39,000, 18.8 percent under last year, respectively. The South reported a similar decline of 11.7 percent to a 83,000 unit pace, unchanged from a year ago.

Condo/co-op prices edged up as demand increased in the second quarter. After holding steady in the $83,000 range during the past four periods, condo/co-op prices increased about 2.5 percent to $85,700 in the second quarter.

Regional comparisons point to new high prices in three of the four regions. The Northeast posted a moderate 4.6 percent quarter-to-quarter gain to a new high of $111,900, 1.5 percent above the same quarter a year ago. The Midwest also hit a new high with a 2.3 percent increase to $65,800, 8.6 percent above last year. Prices also moved into new high ground in the South with a 5.7 percent quarterly jump to $71,800, a substantial year-to-year gain of 9.8 percent. By contrast, the West reported a price decrease with a 5.3 percent drop to $105,200, 2.1 percent below the same quarter of a year ago.

Existing Single-Family Home Price Comparison
Detached vs. Condo/Co-op: 1983-1989

	Median Price		
Year	Single-Family Detached	Apartment Condo/Co-op	Gap Between Single-Family Detached and Apartment Condo/Co-op
1983	$70,300	$64,000	9.8%
1984	72,400	65,100	11.2
1985	75,500	67,600	11.7
1986	80,300	72,600	10.6
1987	85,600	77,800	10.0
1988	89,300	83,100	7.5
1989			
First 6 mos.	92,100	84,700	8.7

Source: NATIONAL ASSOCIATION OF REALTORS®

Total Home Resales

Housing market activity slowed during the first half of the year, but lower mortgage rates should give a lift to the housing market as rates moderate. Housing remains a sound investment as average yearly appreciation in home prices was 6.3 percent for the twelve month period ending in July -- while the Consumer Price Index for all urban consumers rose only 5.0 percent during that same twelve month period.

Total existing single-family home sales including condominiums and cooperatives slid 8.6 percent from a year ago to a seasonally adjusted annual rate of 3,710,000 units.

Regional year-to-year comparisons show similar patterns. The largest drop in sales volume was posted by the Northeast where sales fell 13.3 percent to a seasonally adjusted annual rate of 780,000 units. Total sales activity in the West also slowed, registering a 7.2 percent decline to a 640,000 unit rate.

The Midwest reported the smallest decrease with sales slipping 5.9 percent to a seasonally adjusted annual rate of 950,000 transactions. The South also posted a slowdown in sales activity, down 6.9 percent from a year ago to a seasonally adjusted annual rate of 1,350,000 units.

State Resale Market

The year-to-year decline in home sales activity was felt by the majority of states in the second quarter of 1989. Among the 50 states and the District of Columbia, forty reported a reduction in sales activity in the second quarter with 17 posting a sales decrease of 10 percent or more. States recording the largest declines were Arkansas (down 22.9 percent), Washington, D.C. (down 22.1 percent), and New Jersey (down 20.2 percent). By contrast, of the ten sates reporting increases, only four (Hawaii, Nebraska, Montana, and Oklahoma) were up more than 10 percent from a year ago. Nevada showed no change for that same period.

Regional comparisons show that markets in the West have been particularly resilient notwithstanding the recent downturn in homes sales activity. Hawaii, Montana, Utah, Idaho, Washington and Oregon all posted volume increases in the second quarter 1989 compared to a year ago. Sales activity in California slipped 7.6 percent. Some argue that high home prices in California are forcing individuals to relocate to nearby states in search of more affordable housing.

Of the nine states comprising the Northeast all experienced a decrease in home sales activity during the second quarter. Massachusetts registered the smallest decline in home sales activity, down 5.2 percent from a year ago.

Oklahoma and Louisiana were the only two states in the South to record an increase in home sales activity from the same quarter a year ago. Although 71 percent of the states in the South posted sales activity down less than 10 percent.

Activity in the Midwest was generally lower with only two of its twelve states (Michigan and Nebraska) registering an increase.

Metropolitan Home Sale Prices

The extremely high prices in metropolitan areas in California, New York, Connecticut and Massachusetts are deterring corporations from locating to those areas since the corporations and employees cannot afford such high priced housing. However, price increases in the New England and New York areas are moderating and bringing these areas more in line with other cities throughout the nation. California's housing costs continue to escalate.

Home prices in San Diego continue to rise rapidly. The median home price was $176,600 in the second quarter 1989, well above the national average of $93,000. Although San Diego median home price seems more attainable compared to San Francisco ($265,700) and Los Angeles ($218,000) median family income is lower. As a result the housing affordability index in San Diego which reached 56.7 in 2nd Quarter 1989 is only slightly better than that of San Francisco and Los Angeles whose affordability indices for that same period were 48.5 and 46.1, respectively.

The Seattle/Tacoma home price was $109,100 in the second quarter 1989, up 16.6 percent from a year ago. Boeing is back to high level production with back orders to produce new aircraft – creating a migration of qualified individuals and families to the area.

The median home price in Honolulu continues to forge ahead, reaching $262,500, just slightly below the high of $265,700 recorded in San Francisco.

Home prices in Houston are recovering. The median price reached $68,700 in the second quarter 1989, 8.2 percent higher than the year ago median price of $63,500, amid reports that the non-agricultural average annual growth rate for February 1988-1989 was up 3.4 percent. Home prices in San Antonio are on their way up again although still 3.4 percent below the year ago price. Dallas is showing signs of price appreciation after recording a median price of $92,400 this quarter, up 2.1 percent from the second quarter 1988.

Halvor M. Juul
Director of Surveys

Ann E. Mulvaney
Research Economist

State Home Resales: Second Quarter 1989
(Percent Change from 2nd Quarter 1988)

Down 10% or More
- Alaska
- Arkansas
- Colorado
- Connecticut
- District of Columbia
- Maine
- Minnesota
- New Hampshire
- New Jersey
- New Mexico
- New York
- Pennsylvania
- Rhode Island
- South Dakota
- Vermont
- Virginia
- Wisconsin

Down 0.1 - 9.9%
- Alabama
- Arizona
- California
- Delaware
- Florida
- Georgia
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Maryland
- Massachusetts
- Mississippi
- Missouri
- North Carolina
- North Dakota
- Ohio
- South Carolina
- Tennessee
- Texas
- West Virginia
- Wyoming

Up 0.1 - 9.9%
- Idaho
- Louisiana
- Michigan
- Nevada
- Oregon
- Utah
- Washington

Up 10% or More
- Hawaii
- Montana
- Nebraska
- Oklahoma

Metropolitan Home Sales Price
(Change from 2nd Quarter 1988)

Down
- Corpus Christi
- Denver
- Des Moines
- Hartford
- Little Rock/No Little Rock
- Jacksonville, FL
- New Haven/Meriden
- New Orleans
- New York/No. New Jersey/Long Island
- Oklahoma City
- Omaha
- Raleigh/Durham
- St. Louis
- San Antonio
- Spokane
- Tulsa
- Worcester

Up 0.1 - 4.9%
- Akron
- Albuquerque
- Baton Rouge
- Birmingham, AL
- Boston
- Charleston, SC
- Chattanooga
- Columbia, SC
- Columbus, OH
- Dallas
- Daytona Beach, FL
- Detroit
- Fort Lauderdale/Hollywood
- Kansas City
- Lansing/East Lansing
- Memphis
- Minneapolis/St. Paul
- Nashville
- Orlando
- Peoria
- Phoenix
- Pittsburgh
- Providence
- Rochester
- Salt Lake City/Ogden
- Toledo
- West Palm Beach/Boca Raton/ Delray Beach
- Wichita

Up 5.0 - 9.9%
- Baltimore
- Chicago
- Cleveland
- Dayton/Springfield
- El Paso
- Fort Worth/Arlington
- Greenville/Spartanburg
- Houston
- Indianapolis
- Knoxville
- Lexington/Fayette
- Louisville
- Madison
- Miami/Hialeah
- Milwaukee
- Montgomery
- Philadelphia
- Portland, OR
- Syracuse
- Tampa/St. Petersburg
- Washington, DC

Up 10% or More
- Albany/Schenectady/Troy
- Buffalo/Niagara Falls
- Cincinnati
- Grand Rapids
- Honolulu
- Las Vegas
- Los Angeles Area*
- Mobile
- Orange County (Anaheim/Santa Ana)*
- Riverside/San Bernardino*
- Sacramento
- San Diego
- San Francisco Bay Area*
- Seattle/Tacoma
- Springfield, MA

* Provided by the California Association of REALTORS®

UNITED STATES SUMMARY

Year		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
		Existing	New	Existing	New	Existing	New	Existing	New
1983		2,719,000	623,000	1,980,000	304,000	*	*	$70,300	$ 75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,500
1988		3,594,000	676,000	2,160,000	371,000	*	*	89,300	112,500
1988	Jul	3,650,000	701,000	2,520,000	365,000	8.3	6.4	$90,700	$118,000
	Aug	3,690,000	712,000	2,540,000	363,000	8.2	6.3	91,500	110,000
	Sep	3,650,000	691,000	2,430,000	361,000	7.9	6.5	88,500	116,600
	Oct	3,680,000	718,000	2,400,000	353,000	7.9	6.1	88,900	112,900
	Nov	3,710,000	650,000	2,600,000	364,000	8.5	6.9	88,500	110,400
	Dec	3,920,000	669,000	2,160,000	366,000	6.5	6.7	88,700	121,000
1989	Jan	3,550,000	700,000	2,400,000	369,000	8.1	6.4	$89,700	$113,000
	Feb	3,480,000	621,000	2,450,000	375,000	8.5	7.6	91,900	118,000
	Mar	3,400,000	555,000	2,470,000	377,000	8.7	8.1	92,000	123,000
	Apr[r]	3,400,000	607,000	2,640,000	377,000	9.3	7.6	92,900	116,700
	May[r]	3,210,000	646,000	2,580,000	381,000	9.6	7.3	92,600	118,900
	Jun[r]	3,360,000	646,000	2,350,000	379,000	8.4	7.3	93,400	123,400
	Jul[p]	3,400,000	739,000	2,320,000	371,000	8.2	6.1	96,400	118,800

r Revised   p Preliminary   * not applicable

Source: New home sales data from Census Bureau, U.S. Department of Commerce

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
1988		3,594,000	673,000	929,000	1,350,000	642,000					
			Seasonally Adjusted Annual Rates					Not Seasonally Adjusted			
1988	Jul	3,650,000	690,000	930,000	1,370,000	660,000	328,000	65,000	85,000	122,000	56,000
	Aug	3,690,000	680,000	930,000	1,400,000	670,000	368,000	73,000	94,000	134,000	66,000
	Sep	3,650,000	650,000	910,000	1,390,000	700,000	315,000	62,000	73,000	114,000	66,000
	Oct	3,680,000	640,000	940,000	1,410,000	690,000	304,000	59,000	73,000	114,000	59,000
	Nov	3,710,000	680,000	940,000	1,410,000	680,000	276,000	46,000	61,000	119,000	50,000
	Dec	3,920,000	700,000	1,010,000	1,500,000	700,000	258,000	44,000	62,000	105,000	48,000
1989	Jan	3,550,000	710,000	930,000	1,310,000	630,000	217,000	40,000	51,000	87,000	38,000
	Feb	3,480,000	600,000	920,000	1,310,000	640,000	223,000	34,000	66,000	83,000	39,000
	Mar	3,400,000	570,000	870,000	1,270,000	670,000	303,000	48,000	81,000	115,000	60,000
	Apr	3,400,000	610,000	890,000	1,280,000	620,000	293,000	49,000	85,000	110,000	49,000
	May	3,210,000	610,000	810,000	1,230,000	580,000	322,000	59,000	85,000	118,000	56,000
	Jun[r]	3,360,000	510,000	960,000	1,280,000	600,000	338,000	54,000	97,000	124,000	65,000
	Jul[p]	3,400,000	560,000	910,000	1,320,000	570,000	299,000	53,000	84,000	116,000	47,000

Components may not agree with totals due to rounding.

r Revised   p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES
(Billions of Dollars)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
1983		$225.9	$ 42.1	$44.6	$ 84.4	$ 53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
1988		405.4	104.6	73.4	136.0	93.3					
				Seasonally Adjusted Annual Rates					Not Seasonally Adjusted		
1988	Jul	$418.8	$108.4	$74.9	$142.7	$ 96.1	$37.6	$10.3	$6.8	$12.7	$ 8.2
	Aug	425.8	110.2	75.4	143.7	99.4	42.4	11.8	7.6	13.7	9.8
	Sep	410.8	99.9	71.0	138.1	104.4	35.4	9.6	5.7	11.3	9.7
	Oct	413.0	100.1	74.1	137.0	102.5	34.2	9.1	5.8	11.0	8.8
	Nov	417.0	103.9	73.6	139.3	101.6	31.0	7.0	4.7	11.8	7.5
	Dec	438.6	106.4	79.6	147.5	104.7	29.9	5.5	4.9	10.2	7.1
1989	Jan	$401.6	$110.4	$73.2	$129.6	$ 94.1	$24.5	$6.2	$4.2	$ 8.6	$ 5.7
	Feb	409.7	92.3	74.2	147.3	95.8	26.3	5.2	5.3	9.4	5.8
	Mar	394.9	88.5	70.2	131.4	104.0	35.1	7.4	6.6	11.9	9.2
	Apr	401.4	95.3	71.9	134.4	99.3	34.6	7.7	6.9	11.6	7.8
	May	378.8	95.4	66.3	128.1	93.5	38.0	9.3	7.0	12.3	9.0
	Jun[r]	399.6	83.9	81.1	132.9	94.0	40.1	8.9	8.2	12.8	10.1
	Jul[p]	412.3	89.4	77.8	144.7	89.4	36.3	8.4	7.2	12.7	7.5

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES
(Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
				Median					Average (Mean)		
1983		$70,300	$ 72,200	$56,600	$69,200	$ 94,900	$ 83,100	$ 85,400	$62,900	$ 81,500	$111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1988		89,300	143,000	68,400	82,200	124,900	112,800	155,500	78,900	100,800	145,400
1988	Jul	$90,700	$144,700	$69,400	$84,700	$125,300	$114,700	$157,500	$80,400	$104,100	$145,700
	Aug	91,500	148,400	69,800	83,400	126,900	115,400	161,200	81,000	102,400	147,900
	Sep	88,500	141,500	67,500	81,400	128,300	112,600	154,100	77,800	99,600	148,800
	Oct	88,900	144,400	68,000	80,500	130,000	112,300	155,700	79,100	97,100	149,100
	Nov	88,500	140,700	67,400	80,400	130,900	112,400	152,500	78,100	98,700	150,400
	Dec	88,700	143,000	67,700	78,200	128,700	112,000	152,500	79,000	97,800	149,100
1989	Jan	$89,700	$143,800	$67,800	$82,400	$130,700	$113,000	$155,400	$78,700	$ 98,900	$150,000
	Feb	91,900	142,600	69,900	86,700	127,800	117,800	154,100	80,600	112,400	148,500
	Mar	92,000	143,600	69,900	84,000	138,000	116,100	154,500	80,900	103,500	154,900
	Apr	92,900	144,000	70,400	85,200	142,700	118,000	156,400	80,900	104,700	160,500
	May	92,600	143,800	70,300	84,100	142,300	118,000	156,500	81,400	104,200	160,300
	Jun[r]	93,400	149,900	72,000	85,000	134,500	118,800	163,200	84,300	103,600	156,400
	Jul[p]	96,400	147,900	73,500	88,200	138,200	121,200	160,700	85,600	109,300	158,200

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS
(Percentage Distribution)

Price Class	Jul 1985	Jul 1986	Jul 1987	Jul 1988[r]	Jul 1989[p]
$ 19,999 or under	1.7	1.4	1.6	1.7	1.4
$ 20,000-$ 29,999	3.0	2.2	2.3	2.3	1.8
$ 30,000-$ 39,999	6.1	4.9	4.8	4.5	4.3
$ 40,000-$ 49,999	9.2	8.3	7.6	6.8	6.2
$ 50,000-$ 59,999	11.3	10.9	8.9	8.4	7.9
$ 60,000-$ 69,999	11.7	11.6	9.4	9.3	8.3
$ 70,000-$ 79,999	10.5	10.8	8.7	8.7	8.4
$ 80,000-$ 89,999	8.9	8.8	8.0	7.8	7.9
$ 90,000-$ 99,999	6.7	6.5	6.5	6.1	5.9
$100,000-$119,999	8.9	8.9	9.1	8.9	9.4
$120,000-$159,999	11.3	12.1	14.2	13.7	13.8
$160,000-$199,999	5.1	5.8	7.5	8.3	8.8
$200,000-$249,999	2.8	3.4	4.8	5.5	6.5
$250,000 and over	3.2	4.4	6.6	7.9	9.4
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$76,700	$79,900	$88,300	$90,700	$96,400

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS
JULY 1989[p]
(Percentage Distribution)

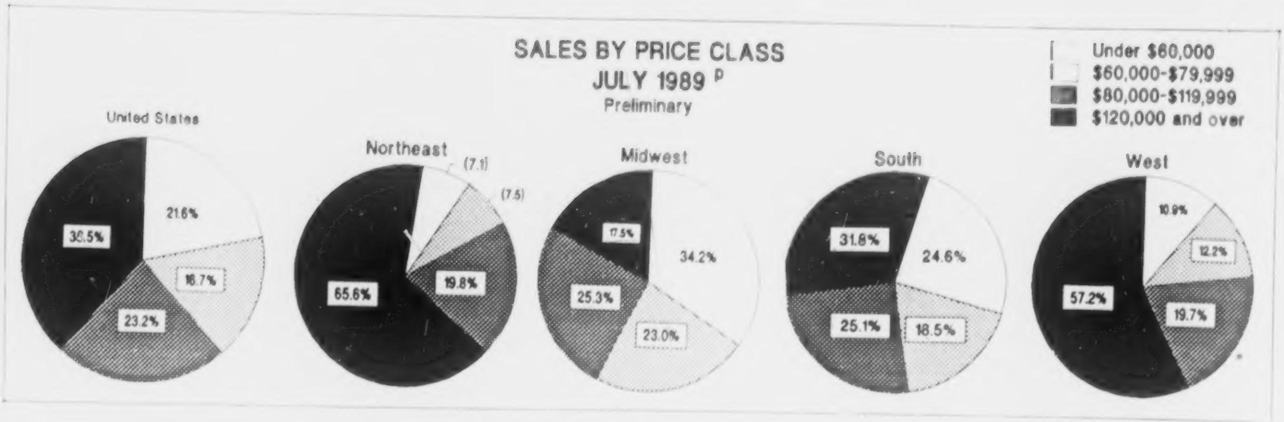
Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	16.5	14.2	19.1	12.3	19.6
3 Bedrooms	53.9	50.6	55.1	56.5	49.5
4 Bedrooms or more	29.6	35.2	25.8	31.2	30.9
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS
JULY 1989[p]
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	1.4	1.5	2.4	1.1	0.6
$ 20,000 - $ 29,999	1.8	0.6	3.7	1.5	0.8
$ 30,000 - $ 39,999	4.3	0.9	7.1	5.3	1.4
$ 40,000 - $ 49,999	6.2	1.4	9.8	7.5	3.1
$ 50,000 - $ 59,999	7.9	2.7	11.2	9.2	5.0
$ 60,000 - $ 69,999	8.3	3.3	11.9	9.3	5.4
$ 70,000 - $ 79,999	8.4	4.2	11.1	9.2	6.8
$ 80,000 - $ 89,999	7.9	5.1	10.0	8.4	6.5
$ 90,000 - $ 99,999	5.9	4.6	6.8	6.2	5.2
$100,000 - $119,999	9.4	10.1	8.5	10.5	8.0
$120,000 - $159,999	13.8	21.8	9.5	13.1	14.4
$160,000 - $199,999	8.8	17.0	3.6	7.6	11.7
$200,000 - $249,999	6.5	10.8	2.1	5.0	11.8
$250,000 and over	9.4	16.0	2.3	6.1	19.3
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$96,400	$147,900	$73,500	$88,200	$138,200

p Preliminary



HOUSING AFFORDABILITY

Year	Median-Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes		
							Composite	Fixed	ARM
1983	$70,300	12.85%	$ 616	30.1%	$24,580	$29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1988	89,300	9.31	591	22.1	32,100	28,360	113.2	103.3	121.6
1988									
Jul	$90,700	9.32%	$ 601	22.8%	$31,580	$28,830	109.5	99.0	118.6
Aug	91,500	9.32	606	22.9	31,684	29,084	108.9	98.1	117.4
Sep	88,500	9.30	585	22.1	31,788	28,081	113.2	101.0	121.5
Oct	88,900	9.41	593	22.3	31,892	28,481	112.0	100.6	120.5
Nov	88,500	9.48	594	22.3	31,996	28,526	112.2	102.8	119.4
Dec	88,700	9.59	601	22.5	32,100	28,864	111.2	103.0	119.3
1989									
Jan	$89,700	9.61%	$ 609	22.7%	$32,207	$29,240	110.1	101.4	118.3
Feb	91,900	9.78	632	23.5	32,314	30,375	106.4	97.8	113.5
Mar	92,000	9.93	642	23.8	32,421	30,820	105.2	97.8	111.7
Apr	92,900	10.08	657	24.2	32,528	31,517	103.2	96.4	109.1
May	92,600	10.46	675	24.8	32,644	32,420	100.7	95.1	106.5
Jun r	93,400	10.59	689	25.2	32,760	33,049	99.1	95.8	103.5
Jul p	96,400	10.39	699	25.5	32,876	33,557	98.0	95.9	102.6
Jul p				Regional Housing Affordability				Month Ago	Year Ago
Northeast	$147,900	10.59%	$1,090	35.5%	$36,875	$52,334	70.5	68.9	75.8
Midwest	73,500	10.43	535	19.4	33,157	25,670	129.2	129.2	141.8
South	88,200	10.47	643	25.6	30,214	30,905	97.8	100.0	105.3
West	138,200	10.24	990	34.0	34,907	47,516	73.5	73.6	87.1

* Effective rate on loans closed on existing homes – Office of Thrift Supervision. r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment.

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Affordability Index	Composite Affordability Index	Affordability GAP (Percent)
1983	$59,800	$5,980	$53,820	12.85%	13.10%	$600	$17,109	$28,799	59.4	83.2	-28.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987	72,700	7,280	65,520	9.28	9.53	552	20,916	26,513	78.9	113.8	-30.7
1988	75,900	7,590	68,310	9.31	9.56	577	21,898	27,714	79.0	113.2	-30.2
1988											
II	$75,900	$7,590	$68,310	9.24%	9.49%	$574	$21,408	$27,547	77.7	111.7	-30.4
III	76,700	7,670	69,030	9.31	9.56	583	21,653	28,006	77.3	111.0	-30.3
IV	75,400	7,540	67,860	9.49	9.74	583	21,898	27,961	78.3	112.2	-30.2
1989											
I	$77,500	$7,750	$69,750	9.77%	10.02%	$613	$22,143	$29,431	75.2	107.2	-29.9
II r	79,000	7,900	71,100	10.38	10.63	657	22,388	31,550	71.0	101.1	-29.8

* Effective rate on loans closed on existing homes – Office of Thrift Supervision. r Revised
** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES
(Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1988		357,000	167,000	63,000	87,000	39,000
1988	II	414,000	208,000	74,000	83,000	48,000
	III	340,000	154,000	66,000	87,000	33,000
	IV	320,000	138,000	52,000	92,000	38,000
1989	I	357,000	150,000	70,000	94,000	44,000
	II[r]	388,000	203,000	62,000	83,000	39,000

Components may not agree with totals due to rounding.
r Revised

TOTAL EXISTING HOME SALES
SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS
(Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1988		3,951,000	840,000	992,000	1,437,000	681,000
1988	II	4,060,000	900,000	1,010,000	1,450,000	690,000
	III	4,000,000	830,000	990,000	1,470,000	710,000
	IV	4,090,000	810,000	1,020,000	1,530,000	730,000
1989	I	3,840,000	780,000	980,000	1,390,000	690,000
	II[r]	3,710,000	780,000	950,000	1,350,000	640,000

Components may not agree with totals due to rounding.
r Revised

MEDIAN SALES PRICE OF APARTMENT
CONDOS AND CO-OPS, QUARTERLY
(Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1988		83,100	110,600	60,600	64,500	108,900
1988	II	$83,600	$110,300	$60,600	$65,400	$107,500
	III	83,300	110,300	61,500	63,500	112,500
	IV	83,500	111,400	61,900	63,900	109,800
1989	I	$83,700	$107,000	$64,300	$67,900	$111,100
	II[r]	85,700	111,900	65,800	71,800	105,200

r Revised

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
	1986	1987	1988	1988			1989	
				II	III	IV	I	II[r]
Alabama	60.8	59.7	52.6	51.1	55.1	51.1	51.1	46.4
Alaska	6.1	7.7	9.6	8.3	12.0	10.1	6.2	6.8
Arizona	73.8	67.3	64.4	60.0	69.2	71.2	65.3	56.0
Arkansas	52.8	48.2	46.6	51.2	46.8	47.9	46.2	39.5
California*	484.6	507.0	562.8	566.9	587.4	593.9	615.1	523.7
Colorado	47.5	46.7	49.3	49.9	53.1	50.7	48.3	42.6
Connecticut	52.0	52.5	57.1	59.1	55.4	59.1	56.4	52.7
Delaware	12.9	14.0	13.3	14.1	13.3	13.1	12.2	13.4
District of Columbia	11.6	10.5	10.8	10.4	10.7	11.4	10.0	8.1
Florida	169.4	184.2	183.1	184.2	193.0	179.8	193.0	175.4
Georgia	75.1	89.0	84.9	84.3	76.3	88.3	85.9	82.0
Hawaii	10.0	11.5	10.3	10.5	10.0	9.9	13.4	12.4
Idaho	11.3	10.9	11.3	11.3	11.5	11.5	13.6	12.1
Illinois	179.2	175.3	186.5	180.2	191.8	203.4	197.6	170.5
Indiana	86.1	89.8	85.1	91.9	80.4	81.4	91.9	84.6
Iowa	46.1	48.3	54.0	53.6	57.4	56.8	45.3	51.0
Kansas	54.4	54.4	50.6	49.0	51.9	50.2	48.5	45.6
Kentucky	58.6	64.1	67.9	68.6	69.2	65.4	75.7	66.0
Louisiana	34.0	40.4	34.5	29.6	33.4	42.8	35.7	30.9
Maine	30.8	35.2	34.2	36.3	35.0	31.4	30.5	32.2
Maryland	86.9	78.5	86.2	80.1	89.6	97.1	89.6	75.4
Massachusetts	84.6	100.5	93.3	95.3	92.8	88.4	91.6	90.3
Michigan	186.6	169.6	168.6	177.6	160.6	160.6	194.6	181.4
Minnesota	96.8	89.4	82.4	78.9	79.6	88.6	66.2	64.8
Mississippi	34.2	34.2	30.6	30.4	28.8	33.9	31.6	28.8
Missouri	88.4	88.4	83.1	77.2	82.3	78.2	90.4	75.2
Montana	11.9	11.6	11.9	11.8	12.2	12.8	11.6	13.3
Nebraska	25.5	23.3	22.4	21.0	22.0	23.1	27.2	24.4
Nevada	11.0	12.2	12.2	10.9	13.1	13.6	12.0	10.9
New Hampshire	20.3	19.2	15.3	14.6	15.6	15.0	14.0	12.0
New Jersey	159.6	157.3	142.3	159.6	130.9	122.8	151.5	127.3
New Mexico	19.5	20.0	18.6	20.5	18.5	17.9	20.2	17.1
New York	216.8	223.9	213.4	218.2	216.3	208.7	201.1	191.6
North Carolina	139.2	140.6	141.8	143.3	146.1	141.4	121.4	130.0
North Dakota	9.5	11.2	11.2	11.5	11.2	10.7	13.6	10.7
Ohio	179.9	180.9	181.9	185.7	176.0	181.9	212.8	168.3
Oklahoma	49.4	44.6	49.6	46.8	52.1	52.8	55.1	52.1
Oregon	45.0	48.5	53.1	53.2	55.2	55.8	57.8	55.8
Pennsylvania	258.3	259.5	276.5	267.8	291.6	283.7	253.6	223.5
Rhode Island	13.5	13.4	13.8	15.8	13.4	12.7	14.6	12.8
South Carolina	58.0	60.9	63.3	65.0	70.6	61.7	52.3	59.3
South Dakota	13.2	13.0	14.2	11.5	14.7	16.1	21.8	9.8
Tennessee	112.0	111.2	102.6	102.0	97.2	109.9	112.3	96.4
Texas	198.9	224.3	238.5	229.3	246.3	254.8	240.6	209.5
Utah	14.6	14.6	14.3	14.0	14.3	14.8	13.5	15.1
Vermont	12.4	12.9	13.4	14.4	13.5	11.6	14.1	11.5
Virginia	130.4	113.0	113.6	112.5	113.6	118.0	108.0	95.9
Washington	50.6	43.6	48.9	49.7	51.5	47.1	57.6	52.3
West Virginia	39.7	36.6	44.5	46.5	38.0	36.4	64.2	43.6
Wisconsin	76.9	73.3	72.2	73.8	65.2	81.5	73.8	66.0
Wyoming	6.1	6.0	5.8	6.3	5.9	5.5	6.9	5.8

* Provided by the California Association of REALTORS®.

r Revised

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*
(Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
	1986	1987	1988	1988			1989	
				II	III	IV	I	II^{r}
Akron, OH	$ 56.2	$ 57.1	$ 59.9	$60.1	62.6	58.4	56.0	62.9
Albany/Schenectady/Troy, NY	72.7	86.4	92.2	91.1	92.3	100.1	102.1	104.2
Albuquerque, NM	81.6	82.6	80.4	81.6	83.4	75.8	82.0	84.5
Orange County(Anaheim/Santa Ana MSA), CA**	147.7	167.3	206.9	200.0	217.4	226.4	237.8	247.6
Atlanta, GA	n/a	n/a	n/a	n/a	81.1	80.5	80.3	83.8
Baltimore, MD	74.0	81.1	88.7	87.3	92.3	89.6	92.2	95.1
Baton Rouge, LA	70.9	67.8	64.7	64.5	64.1	64.8	61.1	64.7
Birmingham, AL	68.3	71.6	75.7	76.5	77.3	74.9	77.3	77.8
Boston, MA	159.2	177.2	181.2	182.9	183.8	179.3	177.0	186.2
Buffalo/Niagara Falls, NY	52.4	56.7	65.6	64.8	66.6	67.5	68.7	71.5
Charleston, SC	n/a	72.7	73.1	73.5	74.4	71.3	72.4	75.0
Charlotte, NC	n/a	n/a	n/a	n/a	81.1	80.5	85.2	86.5
Chattanooga, TN	55.3	59.0	63.5	63.2	64.2	64.9	65.6	64.6
Chicago, IL	86.1	90.8	98.9	99.3	100.8	98.4	99.6	105.0
Cincinnati, OH	n/a	66.1	69.7	69.6	71.8	70.2	72.9	76.6
Cleveland, OH	66.9	68.1	69.2	69.9	69.8	69.3	69.4	76.2
Columbia, SC	67.2	68.4	69.7	70.6	70.7	68.7	71.9	73.5
Columbus, OH	65.5	68.7	72.6	73.4	74.5	74.6	73.9	76.7
Corpus Christi, TX	66.0	65.9	64.9	64.8	63.2	66.5	63.2	64.4
Dallas, TX	93.2	90.8	90.8	90.5	88.6	87.0	89.8	92.4
Daytona Beach, FL	57.7	60.2	62.6	63.3	62.7	64.1	59.5	63.6
Dayton/Springfield, OH	57.3	59.4	63.3	63.4	63.8	63.6	64.4	69.0
Denver,CO	86.4	88.9	81.8	83.4	81.1	79.7	80.8	83.3
Des Moines, IA	55.9	55.6	55.8	58.2	55.0	54.8	57.3	57.1
Detroit, MI	58.1	65.6	73.1	72.3	76.4	73.4	71.9	73.1
El Paso, TX	59.0	59.2	59.6	60.5	62.0	58.8	57.2	64.2
Ft.Lauderdale/Hollywood/Pompano Beach, FL	77.7	79.6	81.1	79.2	84.7	81.4	82.1	82.8
Ft. Worth, TX	87.9	80.0	73.3	70.7	73.9	73.6	73.6	77.2
Grand Rapids, MI	50.4	53.5	57.9	58.3	59.0	59.2	59.2	65.0
Greenville/Spartanburg, SC	64.3	64.2	65.9	64.9	68.7	64.5	60.8	69.1
Hartford, CT	129.0	157.4	167.6	169.0	168.8	165.0	165.5	165.1
Honolulu, HI	172.0	186.0	215.1	198.7	226.0	225.0	245.0	262.5
Houston, TX	69.9	65.9	61.8	63.5	65.5	56.8	62.9	68.7
Indianapolis, IN	59.0	62.5	66.1	66.7	67.5	66.6	68.0	70.9
Jacksonville, FL	62.8	65.1	67.7	67.4	67.2	67.9	65.9	67.0
Kansas City, MO/KS	65.4	69.8	70.5	71.9	69.9	69.3	73.8	72.6
Knoxville, TN	60.3	65.4	67.0	65.5	69.1	66.9	69.8	70.3
Lansing, MI/East Lansing, MI	52.4	54.5	56.6	57.8	57.0	56.2	57.9	59.4
Las Vegas, NV	77.5	77.0	78.8	77.9	80.7	80.2	80.5	86.1
Lexington/Fayette, KY	67.7	72.5	73.5	72.7	75.6	75.4	74.9	78.3
Little Rock/N. Little Rock, AR	63.2	63.1	63.9	63.1	65.6	63.8	63.4	62.9
Los Angeles Area, CA**	128.8	147.7	179.4	174.9	189.2	191.1	201.0	218.0
Louisville, KY	51.7	51.7	54.5	54.1	56.0	55.1	56.7	58.4
Madison, WI	66.4	69.2	72.0	71.8	74.2	70.7	74.7	76.8
Memphis, TN	70.6	75.0	76.3	76.8	76.6	74.5	77.0	78.0
Miami/Hialeah, FL	81.1	81.1	82.9	83.5	82.6	84.0	83.0	88.1
Milwaukee, WI	69.9	70.5	74.5	75.3	75.6	73.1	76.0	81.2
Minneapolis/St Paul, MN	77.9	80.5	85.2	84.3	86.0	87.2	85.9	87.0
Mobile, AL	52.9	55.6	53.0	49.7	56.1	55.8	50.9	55.4
Montgomery, AL	61.0	64.8	64.5	65.6	65.3	63.6	66.0	69.7
Nashville/Davidson, TN	70.8	75.5	77.6	78.3	78.1	76.5	79.6	79.3
New Haven/Meridan, CT	n/a	156.9	169.4	168.9	173.5	160.2	166.7	156.0
New Orleans, LA	n/a	n/a	73.1	73.2	74.8	70.9	68.4	68.2
NewYork/N. NewJersey/Long Island, NY/NJ/CT	160.6	183.5	183.8	194.0	192.1	179.8	179.7	186.3
Oklahoma City, OK	63.0	62.3	56.2	56.9	57.9	53.5	52.3	52.3
Omaha, NE	58.8	59.0	59.5	58.7	60.3	59.9	60.9	58.6
Orlando, FL	72.5	76.2	79.1	77.7	81.3	78.1	79.1	79.1
Peoria, IL	45.7	46.5	45.0	46.0	45.8	44.3	42.0	47.7
Philadelphia, PA	82.4	97.0	102.4	101.9	106.5	104.1	104.7	108.8
Phoenix, AZ	78.4	80.9	80.0	79.1	82.3	79.6	78.5	82.2
Pittsburgh, PA	n/a	n/a	63.2	62.2	66.3	62.8	62.4	65.2
Portland, OR	62.6	64.2	64.4	64.9	64.8	64.8	67.1	68.8

METROPOLITAN AREA DATA (continued):

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

(Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
				1988			1989	
	1986	1987	1988	II	III	IV	I	II^{p}
Providence, RI	87.6	121.4	130.6	130.4	131.9	133.0	128.8	130.9
Raleigh/Durham, NC	89.5	98.0	97.0	99.8	100.0	97.6	102.0	99.4
Riverside/San Bernardino, CA**	94.5	96.1	106.7	104.9	109.6	113.2	116.1	122.2
Rochester, NY	68.3	72.5	75.7	73.7	78.3	76.3	76.4	76.8
Sacramento, CA**	n/a	87.5	95.3	92.3	100.2	97.4	100.3	107.2
Salt Lake City/Ogden, UT	68.5	69.4	67.7	66.9	70.0	67.7	67.8	69.9
San Antonio, TX	69.2	70.2	65.0	65.2	68.2	62.1	61.6	63.0
San Diego, CA**	118.2	129.2	147.8	142.6	152.1	157.2	163.9	176.6
San Francisco Bay Area, CA**	161.2	171.3	212.6	202.8	218.9	232.4	244.0	265.7
Seattle/Tacoma, WA	n/a	82.6	88.7	93.6	89.8	91.9	99.7	109.1
Spokane, WA	53.3	51.2	51.1	52.9	50.9	50.3	50.2	51.8
Springfield, MA	87.6	105.2	118.4	105.8	127.4	121.7	124.4	127.0
St. Louis, MO	70.9	74.3	78.1	79.5	81.1	75.7	81.4	75.3
Syracuse, NY	64.3	68.9	74.6	74.9	75.4	75.9	76.9	78.9
Tampa/St.Petersburg/Clearwater, FL	61.1	63.8	65.6	65.5	67.9	66.2	68.6	71.8
Toledo, OH	56.0	56.3	58.4	59.7	59.9	56.4	57.7	62.4
Tulsa, OK	65.5	65.7	65.0	65.0	65.5	65.3	60.5	62.6
Washington, DC/MD/VA	101.6	114.2	132.5	131.2	135.8	130.1	143.7	140.5
W. Palm Beach/Boca Raton/Delray Beach, FL	92.6	102.6	99.0	94.8	107.4	102.0	94.4	96.2
Wichita, KS	n/a	n/a	60.1	60.3	62.0	59.6	60.4	62.2
Worcester, MA	n/a	139.1	147.5	146.0	153.0	143.1	146.8	138.7

n/a Not Available p Preliminary

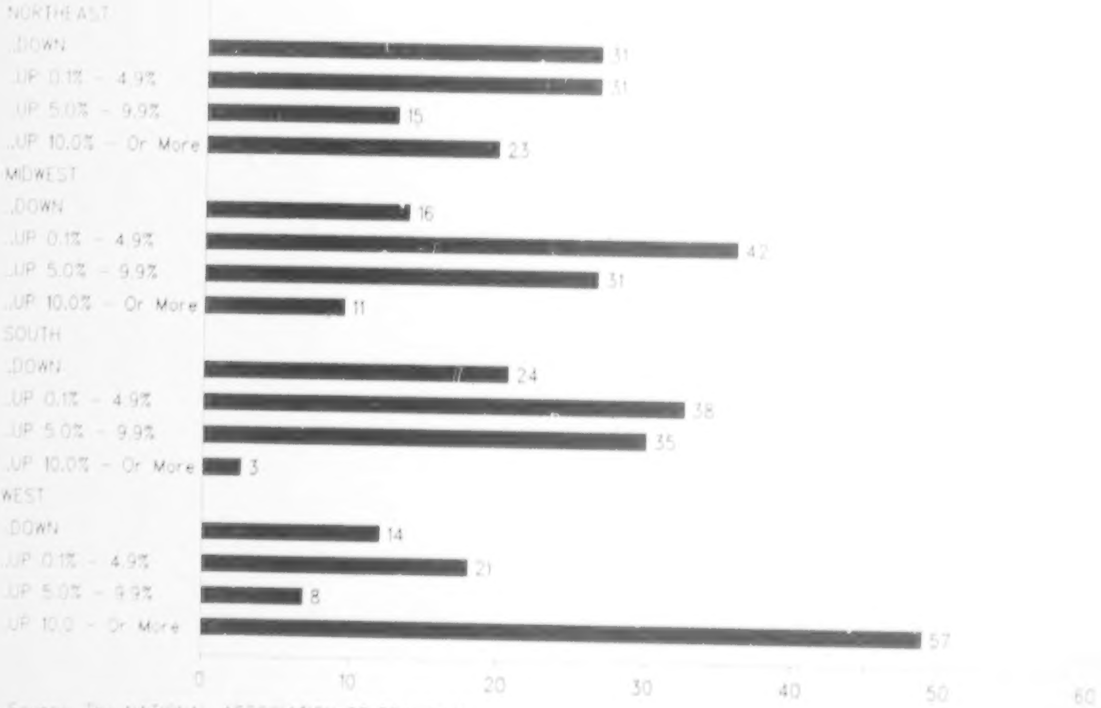
* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas.

** Provided by the California Association of REALTORS®.

METROPOLITAN HOME SALES PRICES

Percent Change from 2nd Quarter 1988

(By Region)



Source: The NATIONAL ASSOCIATION OF REALTORS

METROPOLITAN AREA HOUSING AFFORDABILITY
Selected Metropolitan Areas by Major Components, Second Quarter: 1989^{r}

Metropolitan Area***	Median-Priced Existing Single-Family Home	Mortgage Rate*	Median Family Income	Qualifying Income**	Composite Afford-ability Index
Baltimore, MD	$95,100	10.51%	$37,836	$33,432	113.2
Boston, MA	186,200	10.56	44,460	65,726	67.6
Chicago, IL	105,000	10.37	36,051	36,491	98.8
Cleveland, OH	76,200	10.58	35,840	26,941	133.0
Dallas/Ft. Worth, TX	87,700	10.51	42,096	30,831	136.5
Denver, CO	83,300	10.00	40,177	28,071	143.1
Detroit, MI	73,100	10.62	38,021	25,929	146.6
Houston, TX	68,700	10.53	43,053	24,191	178.0
Indianapolis, IN	70,900	10.20	39,783	24,296	163.7
Kansas City, MO/KS	72,600	10.00	36,196	24,465	147.9
Los Angeles Area, CA#	218,000	10.16	34,343	74,455	46.1
Miami/Hialeah, FL	88,100	10.17	29,741	30,114	98.9
Milwaukee, WI	81,200	10.38	37,536	28,243	132.9
Minneapolis/St Paul, MN	87,000	10.34	43,689	30,161	144.9
NewYork/N. NewJersey/Long Island, NY/NJ/CT	186,300	10.04	30,607	62,992	48.6
Philadelphia, PA	108,800	10.32	37,739	37,656	100.2
Phoenix, AZ	82,200	10.29	35,534	28,379	125.2
Pittsburgh, PA	65,200	10.53	29,950	22,958	130.5
St. Louis, MO	75,300	10.06	37,296	25,503	146.2
San Diego, CA#	176,600	10.07	33,962	59,863	56.7
San Francisco Bay Area, CA#	265,700	9.96	43,315	89,236	48.5
Washington, DC/MD/VA	140,500	10.21	51,199	48,186	106.3

p Preliminary

* Effective rate on loans closed on existing homes - Office of Thrift Supervisic

** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment

*** All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas.

# Note: The California Association of REALTORS® publishes a housing affordability index for areas within the state which differs significantly from these values because it measures the proportion of households which could theoretically afford to purchase the median price home rather than the ability of a median income family to carry the mortgage. California data is provided for comparison only and is not to replace the currently available measures. The indices are roughly consistent.

HOUSING AFFORDABILITY INDEX FOR METROPOLITAN AREAS

Metropolitan Area*	Years			Quarters				
	1986	1987	1988	1988			1989	
				II	III	IV	I	II^{r}
Baltimore, MD	125.5	133.8	129.0	128.8	123.2	128.4	122.8	113.2
Boston, MA	69.9	72.6	74.5	76.4	72.4	73.5	73.2	67.6
Chicago, IL	109.9	116.2	110.1	109.0	108.0	109.9	107.4	98.8
Cleveland, OH	140.0	152.7	154.0	154.6	154.3	152.5	150.5	133.0
Dallas/Ft. Worth, TX	117.7	132.5	143.2	143.2	141.9	147.3	142.7	136.5
Denver, CO	122.4	127.0	143.8	139.2	144.9	154.3	153.2	143.1
Detroit, MI	166.7	166.5	154.3	155.9	149.9	152.3	151.5	146.6
Houston, TX	150.9	182.5	199.8	196.3	184.2	219.1	197.1	178.0
Indianapolis, IN	161.1	176.4	177.3	178.1	172.6	170.6	169.7	163.7
Kansas City, MO/KS	147.2	149.5	157.2	156.8	156.5	156.2	146.1	147.9
Los Angeles Area, CA#	69.5	72.9	61.2	61.6	58.2	56.8	53.2	46.1
Miami/Hialeah, FL	94.3	108.8	113.4	111.2	112.9	111.9	109.9	98.9
Milwaukee, WI	147.6	162.1	149.3	148.4	149.2	151.9	142.6	132.9
Minneapolis/St. Paul, MN	148.4	164.1	156.7	159.4	159.9	144.6	158.9	144.9
New York/N. New Jersey/Long Island, NY/NJ/CT	49.3	50.4	50.6	49.3	49.8	53.0	51.5	48.6
Philadelphia, PA	112.4	110.3	108.9	110.6	105.5	106.2	105.6	100.2
Phoenix, AZ	117.9	130.6	134.7	137.0	133.5	133.7	135.1	125.2
Pittsburgh, PA	n/a	n/a	144.6	152.3	138.5	139.5	137.7	130.5
St. Louis, MO	137.4	147.3	150.0	144.7	143.1	150.2	136.8	146.2
San Diego, CA#	77.2	83.9	72.2	78.8	73.1	68.3	65.6	56.7
San Francisco Bay Area, CA#	69.9	76.8	69.0	71.2	66.4	61.2	56.0	48.5
Washington, DC/MD/VA	126.4	129.2	119.0	120.2	117.1	121.7	110.8	106.3

p Preliminary

* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas.

# Note: The California Association of REALTORS® publishes a housing affordability index for areas within the state which differs significantly from these values because it measures the proportion of households which could theoretically afford to purchase the median price home rather than the ability of a median income family to carry the mortgage. California data is provided for comparision only and is not to replace the currently available measures. The indices are roughly consistent.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Thousands of Units)

Year		Total	In structures with – – 1 unit	2 to 4 units	5 units or more	Regions Northeast	Midwest	South	West
1983		1,703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
1988		1,488	1,080	59	349	235	274	574	404
					Seasonally Adjusted Annual Rates				
1988	Jul	1,478	1,067	50	361	255	283	566	374
	Aug	1,459	1,076	59	324	217	239	573	430
	Sep	1,463	1,039	62	362	206	258	576	423
	Oct	1,532	1,136	63	333	198	273	582	479
	Nov	1,567	1,138	68	361	219	275	613	460
	Dec	1,577	1,141	65	371	201	343	609	424
1989	Jan	1,678	1,199	66	413	293	313	642	430
	Feb	1,465	1,029	62	374	224	273	572	396
	Mar	1,409	981	50	378	160	308	552	389
	Apr	1,343	1,029	62	252	207	274	526	336
	May[r]	1,308	977	42	289	176	244	513	375
	Jun[r]	1,419	979	56	384	169	245	554	451
	Jul[p]	1,430	1,041	59	330	196	272	530	432

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce

NEW ONE-FAMILY HOUSES SOLD
(Thousands of houses sold during period)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987		671	117	97	271	186					
1988		676	101	97	276	202					
			Seasonally Adjusted Annual Rates						Not Seasonally Adjusted		
1988	Jul	701	104	93	283	221	57	9	8	23	17
	Aug	712	100	98	300	214	59	8	9	25	17
	Sep	691	86	99	261	245	54	7	8	21	18
	Oct	718	96	111	274	238	57	8	9	20	19
	Nov	650	65	104	254	227	43	5	7	17	15
	Dec	669	109	94	263	204	42	7	5	17	12
1989	Jan	700	121	106	265	207	52	8	6	21	17
	Feb	621	84	103	236	198	51	6	8	20	17
	Mar	555	107	99	201	148	58	11	10	21	15
	Apr[r]	607	82	99	244	182	60	7	11	24	18
	May[r]	646	88	99	265	195	61	8	10	25	18
	Jun[r]	646	77	101	255	213	58	7	9	23	19
	Jul[p]	739	120	125	261	232	62	11	11	22	19

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF JULY
(Percentage Distribution)

Price Class	July 1985	July 1986	July 1987	July 1988[r]	July 1989[p]
Under $60,000	19	11	8	8	8
$60,000 to $79,999	28	22	18	16	15
$80,000 to $99,999	20	22	21	15	16
$100,000 to $119,999	8	13	14	12	12
$120,000 to $149,999	10	13	16	18	16
$150,000 and over	15	19	23	31	33
Median Sales Price	$82,100	$94,100	$105,000	$118,000	$118,800

r Revised p Preliminary

Source: Census Bureau, U.S. Department of Commerce.

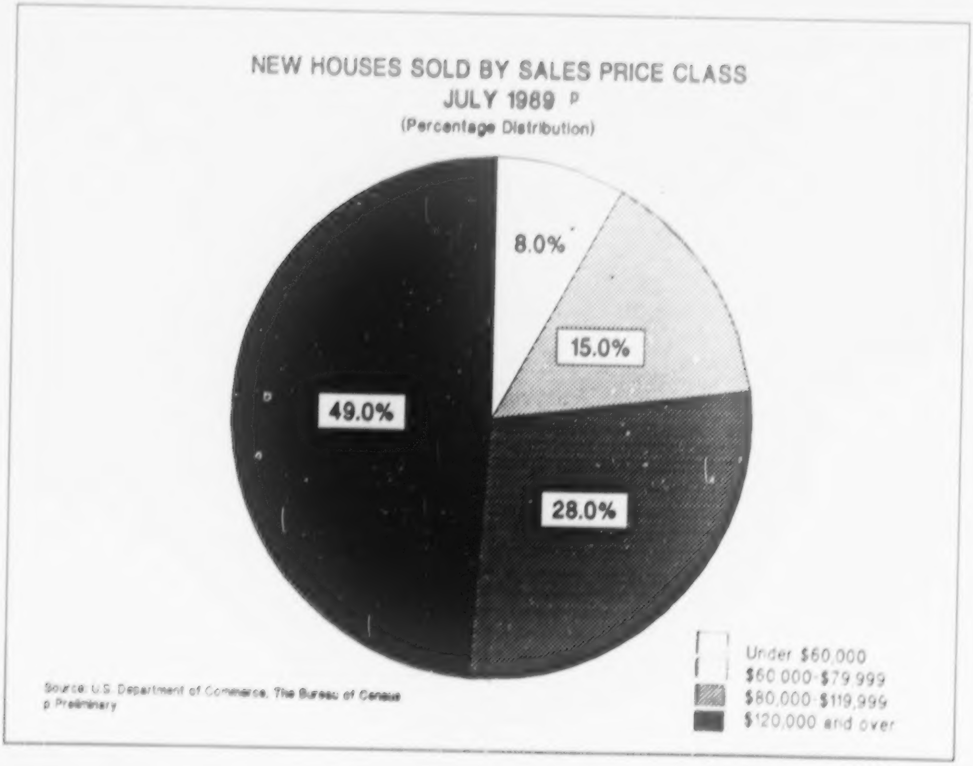
NEW HOUSES SOLD BY SALES PRICE CLASS
SECOND QUARTER 1989[p]
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	7	*	10	13	*
$60,000 to $79,999	14	*	13	22	9
$80,000 to $119,999	29	20	30	30	26
$120,000 and over	50	64	47	35	63
Median Sales Price	$120,000	$149,000	$113,500	$96,300	$139,900

* Insufficient Sample Size

p Preliminary

Source: Census Bureau, U.S. Department of Commerce.



Source: U.S. Department of Commerce, The Bureau of Census
p Preliminary

REALTOR®

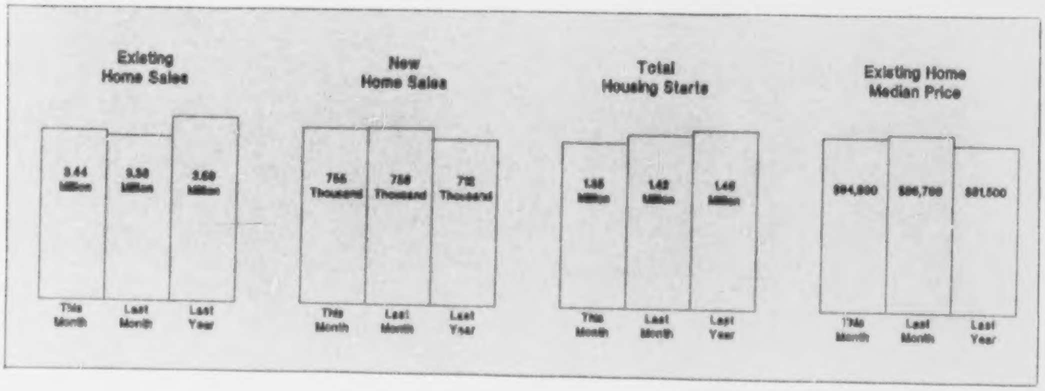
NATIONAL ASSOCIATION OF REALTORS®
Economics & Research Division
777 14th Street, N.W.
Washington, D.C. 20005

Vol 3, No. 9 September 1989

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- Existing home sales volume rose to its highest level in the past six months while the new home market continued at an even pace. The number of existing homes sold reached a seasonally adjusted annual rate of 3,440,000 units, 3.3 percent above July, still 6.8 percent below the same month of 1988. New home sales activity was basically unchanged at an annualized rate of 755,000 units, 6.0 percent above August a year ago.
- The total number of existing and new houses on the market rose a modest 1.7 percent to 2,674,000 units. This was attributable to a 50,000 unit increase in the inventory of existing single-family homes for sale. However, the months' supply of existing homes on the market dipped by two tenths of a month to 8.0 months while the supply of new homes remained unchanged at 6.0.
- Builders pulled in the reins on residential construction after housing starts reached a five-month high in July. Total starts fell 5.0 percent to a seasonally adjusted annual rate of 1,353,000 units. Nearly two thirds of the decrease was attributable to a slowdown in construction of multi-family housing.
- Housing prices remained stable in August as existing single-family home prices retreated 1.9 percent from last month's all-time high to $94,900, still 3.7 percent above August of a year ago. New home prices recovered from last month's dip to reach $122,900, only $100 below June's all-time high of $123,000.
- Housing affordability improved considerably as lower interest rates combined with a dip in the median sales price of an existing single-family home to spring the Housing Affordability Index 4.5 points to 102.2. This is its highest level since last April.

NATIONAL ASSOCIATION OF REALTORS®
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The Voice for Real Estate™

SURVEY DESCRIPTION

Publication

1. Home Sales is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage

2. Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 450 Boards of REALTORS® and multiple listing systems across the country. In 1988, data on over 1,140,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions

4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows:

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

SOUTH
Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

MIDWEST
Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

WEST
Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	14	South	.35
Midwest	28	West	23

Sales Volume

6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant "blow-up" factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report "closings". To the extent "closings" are contained in this series, they introduce a "distributive lag" effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price

10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a standard home. Prices are influenced by changes in cost and changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are not seasonally adjusted.

Seasonal Adjustment

13. Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading-day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium/cooperative sales and state home sales are based on quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

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OPPORTUNITY

THE NATIONAL ASSOCIATION OF REALTORS® is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. The Association encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin.

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REALISTIC EXPECTATIONS

A few weeks ago the real estate section of a major newspaper did a story highlighting statistics from Home Sales. Ordinarily this coverage would be gratifying, but the tone of the piece was negative and sensational by telling readers how little they get for the median price. The implication was to tell buyers that they can't get a quality unit for a price near the median, so why bother?

Part of the problem, of course, is that the real estate section is the advertising vehicle for new housing developments in the area, and the editorial staff loses sight of the fact that their advertisers do not represent the entire housing universe They also become accustomed to dealing with more upscale consumers and neglect sufficient attention to the entry level buyer. This might be acceptable if the market did not depend on homebuyers starting small and moving to larger, fancier houses as their economic status changes. However, the industry depends heavily on consumers climbing the housing ladder -- one rung at a time.

Moreover, the article makes me wonder if the consumer has unrealistic expectations as well. All housing has not been constructed in the last five years, and while most people would prefer a newer home to an older one, the reality is that most buyers will be purchasing homes that have been around for awhile. Roughly one-quarter of the owner occupied housing stock was built within the last ten years, according to data provided by the Census Bureau. Furthermore, there are wide regional disparities within that number. Only 13 percent of the housing in the Northeast was built between 1975 and 1985, while 31 percent of the homes in the West are that new. Overall, the typical house in the country was 23 years old as of 1985. This means the buyer of the typical home will generally be making concessions regarding some of the amenities of the home, but may be picking up special features typically not available with newer homes, such as mature landscaping. It also means that the home will need maintenance, if not immediately, within a short time.

Sizes of homes are also a factor. In the last several years homebuilders have been building primarily for the trade-up market. This means houses and lots have been growing and luxury features have become more commonplace. However, attitudes are changing. While a lucrative trade-up market still exists and will remain with us as the baby boom generation matures, the focus of public policy and attention is on the plight of the first-time homebuyer who needs affordable housing. Interest is emerging to build to satisfy this demand.

One should look to the existing market to satisfy this demand as well, but the first-time buyers need realistic expectations when they enter the market. They need to be aware of the kinds of houses and neighborhoods their parents lived in when they purchased their first homes. With these realistic expectations in mind, they don't look in the "big ticket" communities for the median price home. They look in solid, mid-range neighborhoods. They also do not generally key on four bedroom homes, as was implied in the article. Statistics in this issue of Home Sales indicate that fewer than 30 percent of the homes sold this month had four bedrooms. Clearly the median price home should be expected to be no larger than average in a pleasant mid-range suburb.

The newspaper article was right. There aren't many median price homes in some communities, but if realistic expectations are applied, median price homes can be abundantly found in midrange communities, and the newpaper does homebuyers a disservice by implying that there's nothing desirable at or below the median price. Such an editorial policy will ultimately mean that the move-up buyers who buy the product of the advertisers in the real estate section will dry up, and then there will be no further need for a real estate editorial staff.

Glenn E. Crellin
Division Vice President

AUGUST HOUSING MARKETS

Housing markets were firm in August as existing home sales volume rose to its highest level since February while new home sales marked time. The economy's slow and steady economic growth accompanied by gradually decreasing mortgage interest rates continues to serve as the underpinning for the current housing market.

It should be noted, however, that an early warning may have been sounded by the latest monthly consumer confidence survey of the Conference Board. The September Conference Board survey indicated that consumers' housing related buying plans were weaker with homebuying plans dropping significantly to 2.9 percent from 3.5 percent and major appliance purchasing plans falling to 25.3 percent from 28.3 percent.

While not a leading indicator, many trend watchers look to the Conference Board's Consumer Confidence Index for a hint of where the economy may be heading.

During August, existing home sales volume advanced 3.3 percent to a seasonally adjusted annual rate of 3,440,000 units, 6.8 percent below the same month a year ago. Meanwhile, the pace of new home sales slowed less than one percent to 755,000 transactions, 6.0 percent above August of a year ago.

Regional comparisons of existing home sales activity point to a mixed pattern with three of the four regions reporting increases. The Northeast posted the sharpest gain, up 7.3 percent to 590,000 units, but still down 13.2 percent from a year ago. The Midwest, buoyed by strong agricultural exports and a solid industrial base, boasted a 4.4 percent increase to a 950,000 unit annual rate. Activity in the South was up a modest 3.8 percent to an annualized rate of 1,350,000 units. By contrast, the West slipped 3.5 percent to an annualized rate of 550,000 transactions, the lowest level of the past 12 months.

Regional comparisons of new home sales point to a mixed pattern. Activity in the Northeast moved marginally lower to a seasonally adjusted annual rate of 107,000 units, 7.0 percent above the same month a year ago. After an extremely sharp 26.5 percent spurt last month, sales in the Midwest fell by a nearly equal 27.9 percent to an annualized rate of 93,000 units, fairly even with the monthly pace of the past year. Sales in the South were up 6.2 percent to an annual rate of 310,000 units, the highest monthly rate of the past 12 months and 3.3 percent higher than the same month a year ago.

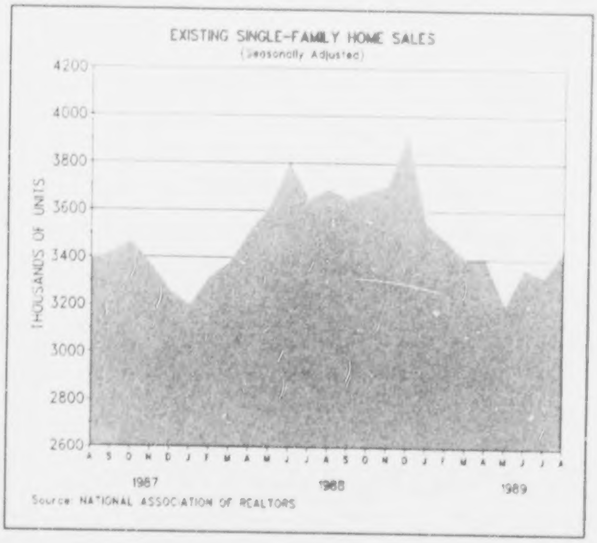
Inventory Available For Sale

The total number of houses available for sale increased a modest 1.7 percent to 2,674,000 units. This increase is attributable solely to a 2.2 percent increase in the number of existing homes available for sale. The number of new houses on the market decreased modestly to 364,000 units.

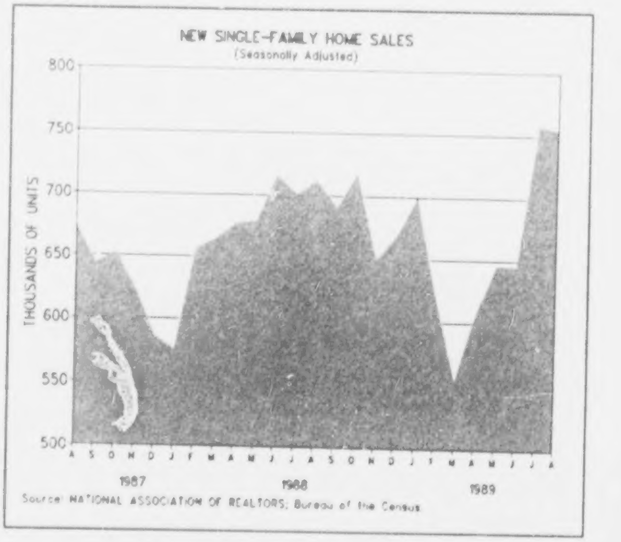
The months' supply of existing homes on the market decreased while the supply of new homes remained unchanged from last month. During the month the stock of existing homes slipped to 8.0 months while the supply of new homes remained the same at 6.0 months.

Housing Construction

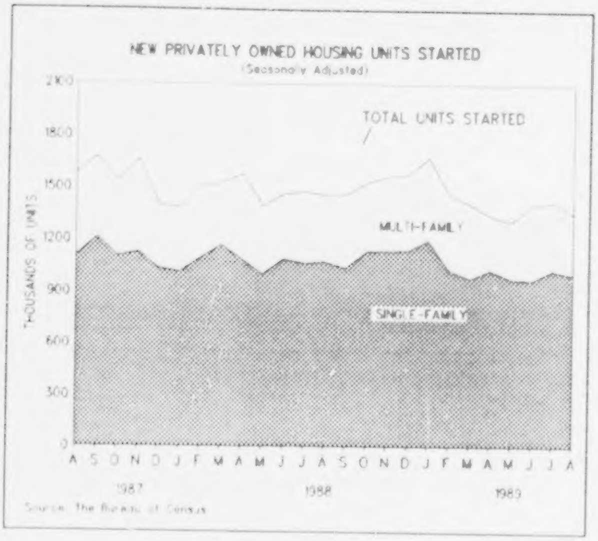
After increasing for two consequentive months, total new privately owned housing starts retreated in August as builders took a more conservative stance. Total new homes under construction decreased 5.0 percent to a seasonally adjusted annual rate of 1,353,000 units. Con-



Source: NATIONAL ASSOCIATION OF REALTORS



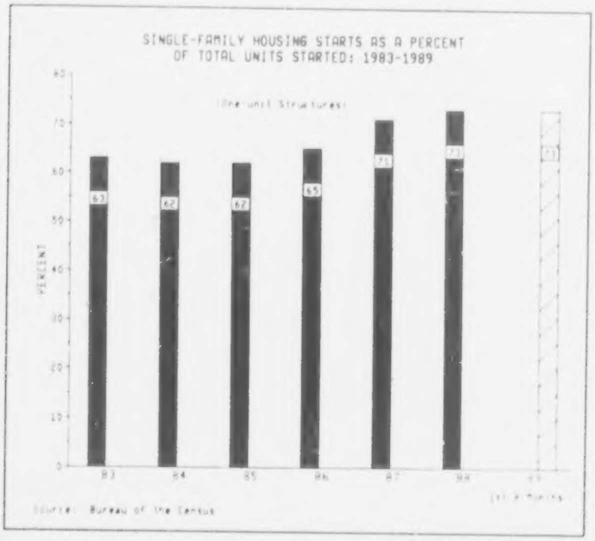
Source: NATIONAL ASSOCIATION OF REALTORS; Bureau of the Census


NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Seasonally Adjusted)

Source: The Bureau of Census

struction of single-family unit structures slipped 2.5 percent to an annual rate of 1,003,000 units while buildings with five or more units fell 13.6 percent to an annualized rate of 292,000 units.

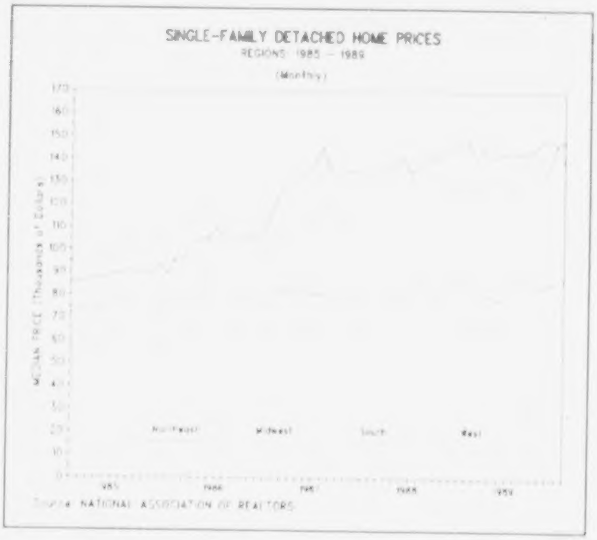
Regional comparisons of new construction in August point to decreases in three of the four regions. The Northeast saw a sharp gain in July more than offset by a 28.2 percent plunge to a seasonally adjusted annual rate of 140,000 units, the lowest level of the past twelve months. The Midwest also posted a new twelve month low as activity dropped 9.7 percent to an annualized rate of 241,000 starts. The West also reported a decrease with a 7.4 percent decrease to an annualized rate of 398,000 structures. By contrast, the South reported a 7.9 percent increase to a 574,000 unit pace.


SINGLE-FAMILY HOUSING STARTS AS A PERCENT
OF TOTAL UNITS STARTED: 1983-1989
(One-unit Structures)

Source: Bureau of the Census

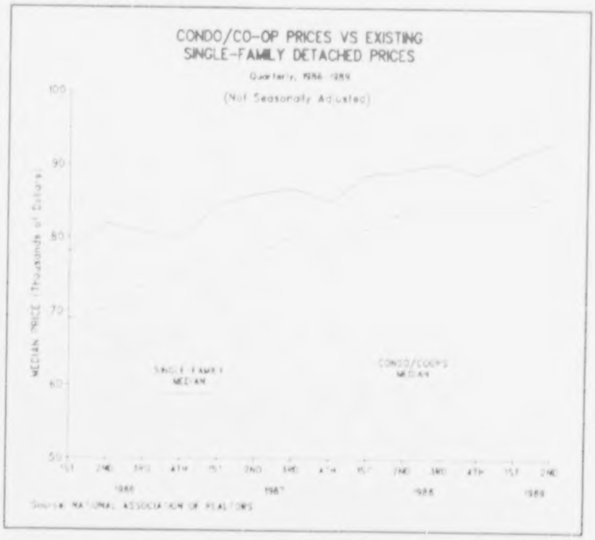
Home Sales Prices

Home prices remained firm in August with existing home prices drifting slightly lower and the cost of a new home moving up to within a hair of its all-time high. The median price of an existing single-family home in August decreased $1,800 from last month's all-time high to $94,900, still 3.7 percent above the level of a year ago


SINGLE-FAMILY DETACHED HOME PRICES
REGIONS: 1985 – 1989
(Monthly)

Source: NATIONAL ASSOCIATION OF REALTORS

Regional comparisons show that prices were unusually stable with the exception of the West. The August median price of an existing single-family home in the Northeast rose $1,300 to $148,400, unchanged from a year ago. Prices in the Midwest slipped $1,100 to $72,300, up 3.6 percent from last year. The South was essentially unchanged from last month but still 4.8 percent higher than the 1989 level. By contrast, prices in the West changed the most from last month with a $7,100 drop to $139,400, 9.9 percent above the same month a year ago.


CONDO/CO-OP PRICES VS EXISTING
SINGLE-FAMILY DETACHED PRICES
Quarterly, 1986-1989
(Not Seasonally Adjusted)

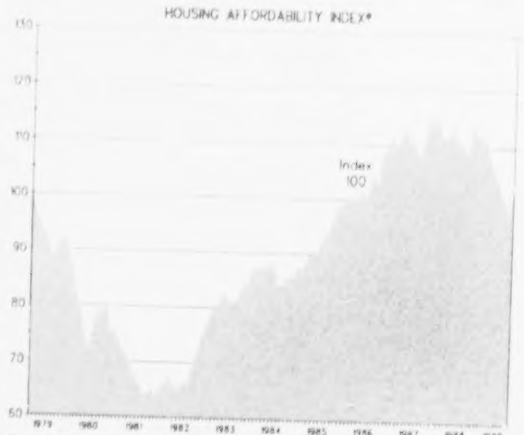
Source: NATIONAL ASSOCIATION OF REALTORS

Resale Housing Affordability

Housing affordability took a sharp turn for the better in August as the Fed's credit policies began to feed through to the Housing Affordability Index itself. During the month, the effective mortgage interest rate fell 28 basis points to 10.11 percent while the median price of an existing single-family home slipped $1,800 from the previous month, boosting the Housing Affordability Index to 102.2 from last month's 97.7.

At its present level, the affordability index means that a family earning the median family income of $32,992 has 102.2 percent of the income required to marginally qualify for a conventional loan covering 80 percent of the median existing single-family home price of $94,900.

Housing affordability benefitted from decreasing interest rates in all four regions of the country but not to the same degree. Affordability improved sharply in the Midwest where the index jumped 5.1 points to 134.4, reflecting the impact of a $1,100 drop in the median price of existing single-family homes in that region. Similarly, the index in the West was up almost the same, rising 5.7 points to 75.0. Improved affordability was held back by rising prices in the Northeast where it moved up 1.7 points to 72.5. As in the Midwest, the South profited from a combination of lower interest rates and softer prices to report a 2.4 point improvement in that region's affordability index.



Source: NATIONAL ASSOCIATION OF REALTORS
* Index = 100 when median family income equals qualifying income.

Condominium/Co-operative Resales

Apartment condominiums/cooperatives accounted for 10.5 percent of total home sales in the second quarter 1989, up from a 9.3 percent share in the first quarter 1989.[1] Resales of apartment condominiums/cooperatives alone in the second quarter increased 8.7 percent to a seasonally adjusted annual rate of 388,000 units, although still 6.3 percent lower than the year ago high of 414,000 units.

While the nationwide volume of condos/co-ops was higher in the second quarter than the preceding quarter, regional performances were mixed. The market in the Northeast improved as condo/co-op sales rebounded 35.3 percent from the previous quarter, reaching a seasonally adjusted annual rate of 203,000 units. This is slightly below the year ago high of 208,000 sales.

Sales gains in the Northeast more than offset decreases in sales in the three other regions. The Midwest, South and West all reported lower condo/co-op sales, down around 11 percent from the first quarter 1989, although condo/co-op sales in the South were equal to the year ago level.

The U.S. median price for condos/co-ops was $85,700 in the second quarter, just 2.4 percent higher than a year ago, and 8.5 percent below the median price of existing single-family homes. The West was the only region to post a decrease in prices, down 5.3 percent from the previous quarter to a median of $105,200.

The South recorded the largest quarterly rise in condo/co-op prices -- up 5.7 percent to a median of $71,800. The Northeast also showed signs of price appreciation with a median price jump of 4.6 percent to $111,900 in the second quarter. The median price in the Midwest was also up, increasing 2.3 percent from the previous quarter to $65,800.

Total Home Resales

Existing single-family home sales (excluding condos/co-ops) accounted for 89.5 percent of total existing home sales in the second quarter 1989 compared to 90.7 percent in the first quarter 1989.

Total sales of single-family homes, condominiums and cooperatives reached 3,710,000 units in the first quarter 1989 on a seasonally adjusted annual rate basis, 3.4 percent below the first quarter.

Although housing activity is down, regional quarter-to-quarter comparisons show relatively similar patterns. Increasing sales of condos/co-ops in the Northeast more than offset the decrease in single-family activity in that region, when total existing home sales showed no change between the first quarter and second quarter 1989. Sales activity in the other three regions reflects a softening of total home sales for the second consecutive quarter. The Midwest posted a seasonally adjusted annual rate of 950,000 units, down 3.1 percent from the previous quarter and falling 5.9 percent from the same quarter a year ago. The South recorded a seasonally adjusted annual rate of 1,350,000 units sold, falling 2.9 percent from the previous quarter and down 6.9 percent from a year ago. Sales activity in the West also slowed. With total home sales falling 7.2 percent from both the previous quarter and the year ago quarter.

State Resale Market

Year-to-year decreases in home sales activity were felt by the majority of states. Among the 50 states and the District of Columbia, approximately 78 percent posted declines in home sales activity in the second quarter compared to a year ago. Twenty-seven states registered a fall of 10 percent or more, while only eight states recorded increases in sales volume this quarter. Four states recorded an increase of 10 percent or more, including Montana (up 14.7 percent), South Carolina (up 13.4 percent), Iowa (up 12.6 percent), and Utah (up 11.9 percent).

Regional year-to-year comparisons show that the housing market is continuing to soften. Home sales activity declined in over 80 percent of the states in both the South and the Midwest regions. Nebraska and Michigan were the only two states in the Midwest to report growth in home sales activity from the second quarter 1988, up 16.2 percent and 2.1 percent respectively.

Florida, the second largest housing market in the South posted a seasonally adjusted annual rate of 175,400 unit sales for the second quarter 1989. This is 9.1 percent below last quarter sales activity and 4.8 percent lower than a year ago.

Sales activity in California fell for the second consecutive quarter. The second quarter seasonally adjusted annual rate for homes sold was 523,700, 14.9 percent less then the previous quarter of 615,000 unit sales.

Arizona recorded 56,000 unit home sales in the second quarter 1989, 14.2 percent less then the previous quarter and 6.7 percent less than the year ago number.

Michigan, the state with the largest housing market in the Midwest registered 181,400 unit home sales in the second quarter, falling 6.8 percent from the first quarter rate, but up 2.1 percent from a year ago. Illinois had the second greatest home sales activity in the Midwest, recording 170,500 units sold in the second quarter.

The Northeast is still showing signs of a cool-down. All nine states posted decreases in sales activity compared to the same quarter a year ago. Maine was the only state to post a first quarter to second quarter increase, with sales activity up 5.6 percent to 32,200 units sold. Pennsylvania, the state in the Northeast with the largest number of housing sales, reached 223,500 units sold in the second quarter.

Metropolitan Home Sale Prices

Many metropolitan areas are continuing to experience robust appreciation in home prices. Comparisons of the second quarter with the same quarter a year ago show 64 of the 83 metropolitan areas in our sample reporting increases, with prices in 15 metropolitan areas increasing by at least ten percent. In contrast, 17 metropolitan areas posted declines in home prices, although, all reported less then nine percent during that same period.

Now that oil prices are firmer and with the glut of repossessed real estate easing, the housing market in Texas is slowly inching its way back. The existing home market in Houston showed positive signs in the second quarter 1989, as the median sales price which reached a high of $83,700 in the third quarter 1985 and low of $56,800 in the fourth quarter of 1988 rebounded to $68,700, 8.2 percent higher than a year ago. Median home prices in Dallas reached $92,400 in the second quarter 1989, increasing for the third consecutive quarter.

Of the thirty-six sampled metropolitan areas in the South, Mobile Alabama reported the largest year-to-year increase, 11.5 percent, with a median home price of $55,400. Tampa/St. Petersburg/Clearwater followed Mobile with a 9.6 percent year ago rise, concluding the second quarter with a median home price of $71,800.

In the West, of 15 metropolitan areas in our survey, Honolulu posted the largest year-to-year price increase, 32.1 percent, reaching a median price of $262,500, although, San Francisco posted the highest home price of $265,700 in the second quarter. By contrast home prices in Denver and Spokane fell between the second quarter 1988 and the second quarter 1989, down 0.1 percent and 2.1 percent, respectively.

In the Midwest region, with 19 metropolitan areas sampled, Grand Rapids reported a 11.5 percent year ago increase, reaching a median price of $65,000. Chicago reported a median price of $105,000 in the second quarter, a year ago increase of 4.7 percent.

Omaha, Des Moines and St. Louis experienced price decreases in the second quarter 1989 compared to the same quarter a year ago, as well as from the first quarter 1989. The median home price in Omaha in the second quarter 1989 was down 0.2 percent, ending with a median home price of $58,600. The median price in Des Moines in the second quarter 1989 was $57,100, falling 1.9 percent from the same quarter a year ago, while the median price in St. Louis was $75,300, decreasing 5.3 percent.

With thirteen metropolitan areas sampled in the Northeast, Springfield led in home price appreciation, increasing 20 percent from the second quarter 1988, ending with a median sale price of $108,800. New York/Northern New Jersey/Long Island recorded a median home price of $186,300, the highest in this region, although only slightly above the Boston median price of $186,200. Prices in Boston actually increased 1.8 percent from the second quarter 1988, after falling the previous two quarters. This may be an aberration to the previous trend, third quarter numbers will tell the true story.

Metropolitan areas that posted year ago quarter-to-quarter declines in home prices in the Northeast include Hartford (down 2.3 percent, New York/Northern New Jersey/Long Island (down 4.0 percent), Worcester (down 5.0 percent) and New Haven/Meriden (down 7.6 percent).

The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.2 percent in August 1989, reaching 124.6. The month to year ago change was 4.7 percent. The Housing component showed a monthly rise of 0.2 percent in August. The Shelter component of the Index increased 0.4 percent in August, with Renters' Costs unchanged while the Index for Homeowners' Costs increased 0.6 percent.

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[1] For reasons of statistics, unit sales of apartment condos and cooperatives have been combined although differences exist. Ownership of a condo unit is the same as ownership of a single-family house. However, a condo owner is a tenant-in-common with respect to all the common areas, which include halls, grounds, and recreational areas. A cooperative is owned by a cooperative corporation in which each unit holder is a shareholder; the shares allow them the right to a proprietary lease of an individual unit.

State Home Resales: Second Quarter 1989
(Percent Change from 2nd Quarter 1988)

Down 10% or More

- Alaska
- Arkansas
- Colorado
- Connecticut
- District of Columbia
- Maine
- Minnesota
- New Hampshire
- New Jersey
- New Mexico
- New York
- Pennsylvania
- Rhode Island
- South Dakota
- Vermont
- Virginia
- Wisconsin

Down 0.1 - 9.9%

- Alabama
- Arizona
- California
- Delaware
- Florida
- Georgia
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Maryland
- Massachusetts
- Mississippi
- Missouri
- North Carolina
- North Dakota
- Ohio
- South Carolina
- Tennessee
- Texas
- West Virginia
- Wyoming

Up 0.1 - 9.9%

- Idaho
- Louisiana
- Michigan
- Nevada
- Oregon
- Utah
- Washington

Up 10% or More

- Hawaii
- Montana
- Nebraska
- Oklahoma

Metropolitan Home Sales Price
(Change from 2nd Quarter 1988)

Down

- Corpus Christi
- Denver
- Des Moines
- Hartford
- Little Rock/No. Little Rock
- Jacksonville, FL
- New Haven/Meriden
- New Orleans
- New York/No. New Jersey/Long Island
- Oklahoma City
- Omaha
- Raleigh/Durham
- St. Louis
- San Antonio
- Spokane
- Tulsa
- Worcester

Up 0.1 - 4.9%

- Akron
- Albuquerque
- Baton Rouge
- Birmingham, AL
- Boston
- Charleston, SC
- Chattanooga
- Columbia, SC
- Columbus, OH
- Dallas
- Daytona Beach, FL
- Detroit
- Fort Lauderdale/Hollywood
- Kansas City
- Lansing/East Lansing
- Memphis
- Minneapolis/St. Paul
- Nashville
- Orlando
- Peoria
- Phoenix
- Pittsburgh
- Providence
- Rochester
- Salt Lake City/Ogden
- Toledo
- West Palm Beach/Boca Raton/ Delray Beach
- Wichita

Up 5.0 - 9.9%

- Baltimore
- Chicago
- Cleveland
- Dayton/Springfield
- El Paso
- Fort Worth/Arlington
- Greenville/Spartanburg
- Houston
- Indianapolis
- Knoxville
- Lexington/Fayette
- Louisville
- Madison
- Miami/Hialeah
- Milwaukee
- Montgomery
- Philadelphia
- Portland, OR
- Syracuse
- Tampa/St. Petersburg
- Washington, DC

Up 10% or More

- Albany/Schenectady/Troy
- Buffalo/Niagara Falls
- Cincinnati
- Grand Rapids
- Honolulu
- Las Vegas
- Los Angeles Area*
- Mobile
- Orange County (Anaheim/Santa Ana)*
- Riverside/San Bernardino*
- Sacramento
- San Diego
- San Francisco Bay Area*
- Seattle/Tacoma
- Springfield, MA

* Provided by the California Association of REALTORS®

UNITED STATES SUMMARY

Year		Single-Family Home Sales (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
		Existing	New	Existing	New	Existing	New	Existing	New
1983		2,719,000	623,000	1,980,000	304,000	*	*	$70,300	$ 75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,500
1988		3,594,000	676,000	2,160,000	371,000	*	*	89,300	112,500
1988	Aug	3,690,000	712,000	2,540,000	363,000	8.2	6.3	$91,500	$110,000
	Sep	3,650,000	691,000	2,430,000	361,000	7.9	6.5	88,500	116,600
	Oct	3,680,000	718,000	2,400,000	353,000	7.9	6.1	88,900	112,900
	Nov	3,710,000	650,000	2,600,000	364,000	8.5	6.9	88,500	110,400
	Dec	3,920,000	669,000	2,160,000	366,000	6.5	6.7	88,700	121,000
1989	Jan	3,550,000	700,000	2,400,000	369,000	8.1	6.4	$89,700	$113,000
	Feb	3,480,000	621,000	2,450,000	375,000	8.5	7.6	91,900	118,000
	Mar	3,400,000	555,000	2,470,000	377,000	8.7	8.1	92,000	123,000
	Apr	3,400,000	607,000	2,640,000	377,000	9.3	7.6	92,900	116,700
	May^r	3,210,000	653,000	2,580,000	380,000	9.6	7.2	92,600	119,000
	Jun^r	3,360,000	653,000	2,350,000	377,000	8.4	7.1	93,400	123,000
	Jul^r	3,330,000	758,000	2,260,000	369,000	8.2	6.0	96,700	116,000
	Aug^p	3,440,000	755,000	2,310,000	364,000	8.0	6.0	94,900	122,900

r Revised p Preliminary * not applicable
Source: New home sales data from Census Bureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
1988		3,594,000	673,000	929,000	1,350,000	642,000					
				Seasonally Adjusted Annual Rates					Not Seasonally Adjusted		
1988	Aug	3,690,000	680,000	930,000	1,400,000	670,000	368,000	73,000	94,000	134,000	66,000
	Sep	3,650,000	650,000	910,000	1,390,000	700,000	315,000	62,000	73,000	114,000	66,000
	Oct	3,680,000	640,000	940,000	1,410,000	690,000	304,000	59,000	73,000	114,000	59,000
	Nov	3,710,000	680,000	940,000	1,410,000	680,000	276,000	46,000	61,000	119,000	50,000
	Dec	3,920,000	700,000	1,010,000	1,500,000	700,000	258,000	44,000	62,000	105,000	48,000
1989	Jan	3,550,000	710,000	930,000	1,310,000	630,000	217,000	40,000	51,000	87,000	38,000
	Feb	3,480,000	600,000	920,000	1,310,000	640,000	223,000	34,000	66,000	83,000	39,000
	Mar	3,400,000	570,000	870,000	1,270,000	670,000	303,000	48,000	81,000	115,000	60,000
	Apr	3,400,000	610,000	890,000	1,280,000	620,000	293,000	49,000	85,000	110,000	49,000
	May	3,210,000	610,000	810,000	1,230,000	580,000	322,000	59,000	85,000	118,000	56,000
	Jun	3,360,000	510,000	960,000	1,280,000	600,000	338,000	54,000	97,000	124,000	65,000
	Jul^r	3,330,000	550,000	910,000	1,300,000	570,000	296,000	52,000	84,000	114,000	47,000
	Aug^p	3,440,000	590,000	950,000	1,350,000	550,000	341,000	63,000	96,000	128,000	55,000

Components may not agree with totals due to rounding
r Revised p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES (Billions of Dollars)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
1983		$225.9	$ 42.1	$44.6	$ 84.4	$ 53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
1988		405.4	104.6	73.4	136.0	93.3					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1988	Aug	$ 425.8	$ 110.2	$ 75.4	$ 143.7	$ 99.4	$ 42.4	$ 11.8	$ 7.6	$ 13.7	$ 9.8
	Sep	410.8	99.9	71.0	138.1	104.4	35.4	9.6	5.7	11.3	9.7
	Oct	413.0	100.1	74.1	137.0	102.5	34.2	9.1	5.8	11.0	8.8
	Nov	417.0	103.9	73.6	139.3	101.6	31.0	7.0	4.7	11.8	7.5
	Dec	438.6	106.4	79.6	147.5	104.7	29.9	5.5	4.9	10.2	7.1
1989	Jan	$401.6	$110.4	$73.2	$129.6	$ 94.1	$ 24.5	$ 6.2	$ 4.2	$ 8.6	$ 5.7
	Feb	409.7	92.3	74.2	147.3	95.8	26.3	5.2	5.3	9.4	5.8
	Mar	394.9	88.5	70.2	131.4	104.0	35.1	7.4	6.6	11.9	9.2
	Apr	401.4	95.3	71.9	134.4	99.3	34.6	7.7	6.9	11.6	7.8
	May	378.8	95.4	66.3	128.1	93.5	38.0	9.3	7.0	12.3	9.0
	Jun	399.6	83.9	81.1	132.9	94.0	40.1	8.9	8.2	12.8	10.1
	Jul^{r}	399.0	88.4	77.7	140.7	92.9	35.5	8.3	7.1	12.3	7.7
	Aug^{p}	408.3	95.5	80.4	146.2	87.1	40.5	10.2	8.1	13.9	8.8

Components may not agree with totals due to rounding
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES (Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
				Median					Average (Mean)		
1983		$70,300	$ 72,200	$56,600	$69,200	$ 94,900	$ 83,100	$ 85,400	$62,900	$ 81,500	$111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1988		89,300	143,000	68,400	82,200	124,900	112,800	155,500	78,900	100,800	145,400
1988	Jul	$90,700	$144,700	$69,400	$84,700	$125,300	$114,700	$157,500	$80,400	$104,100	$145,700
	Aug	91,500	148,400	69,800	83,400	126,900	115,400	161,200	81,000	102,400	147,900
	Sep	88,500	141,500	67,500	81,400	128,300	112,600	154,100	77,800	99,600	148,800
	Oct	88,900	144,400	68,000	80,500	130,000	112,300	155,700	79,100	97,100	149,100
	Nov	88,500	140,700	67,400	80,400	130,900	112,400	152,500	78,100	98,700	150,400
	Dec	88,700	143,000	67,700	78,200	128,700	112,000	152,500	79,000	97,800	149,100
1989	Jan	$89,700	$143,800	$67,800	$82,400	$130,700	$113,000	$155,400	$78,700	$ 98,900	$150,000
	Feb	91,900	142,600	69,900	86,700	127,800	117,800	154,100	80,600	112,400	148,500
	Mar	92,000	143,600	69,900	84,000	138,000	116,100	154,500	80,900	103,500	154,900
	Apr	92,900	144,000	70,400	85,200	142,700	118,000	156,400	80,900	104,700	160,500
	May	92,600	143,800	70,300	84,100	142,300	118,000	156,500	81,400	104,200	160,300
	Jun	93,400	149,900	72,000	85,000	134,500	118,800	163,200	84,300	103,600	156,400
	Jul^{r}	96,700	147,100	73,400	87,200	146,500	122,100	160,400	85,400	108,500	164,300
	Aug^{p}	94,900	148,400	72,300	87,400	139,400	120,700	160,800	84,500	108,200	159,100

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS
(Percentage Distribution)

Price Class	Aug 1985	Aug 1986	Aug 1987	Aug 1988^r	Aug 1989^p
$ 19,999 or under	1.7	1.6	1.5	1.7	1.6
$ 20,000-$ 29,999	3.0	2.3	2.4	2.4	2.1
$ 30,000-$ 39,999	6.0	5.0	4.9	4.6	4.5
$ 40,000-$ 49,999	8.9	8.3	7.6	6.9	6.3
$ 50,000-$ 59,999	11.2	10.6	8.9	8.2	7.6
$ 60,000-$ 69,999	11.7	11.6	10.0	8.9	8.9
$ 70,000-$ 79,999	10.3	10.4	9.3	8.8	8.3
$ 80,000-$ 89,999	8.9	9.1	8.4	7.7	7.8
$ 90,000-$ 99,999	6.4	6.6	6.4	6.3	5.9
$100,000-$119,999	8.7	8.7	9.4	9.3	8.8
$120,000-$159,999	12.0	12.0	13.4	13.8	13.9
$160,000-$199,999	5.1	6.0	7.7	8.1	8.5
$200,000-$249,999	2.9	3.5	4.5	5.5	6.0
$250,000 and over	3.2	4.3	5.6	7.8	9.8
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$77,200	$82,000	$86,500	$91,500	$94,900

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS
AUGUST 1989^p
(Percentage Distribution)

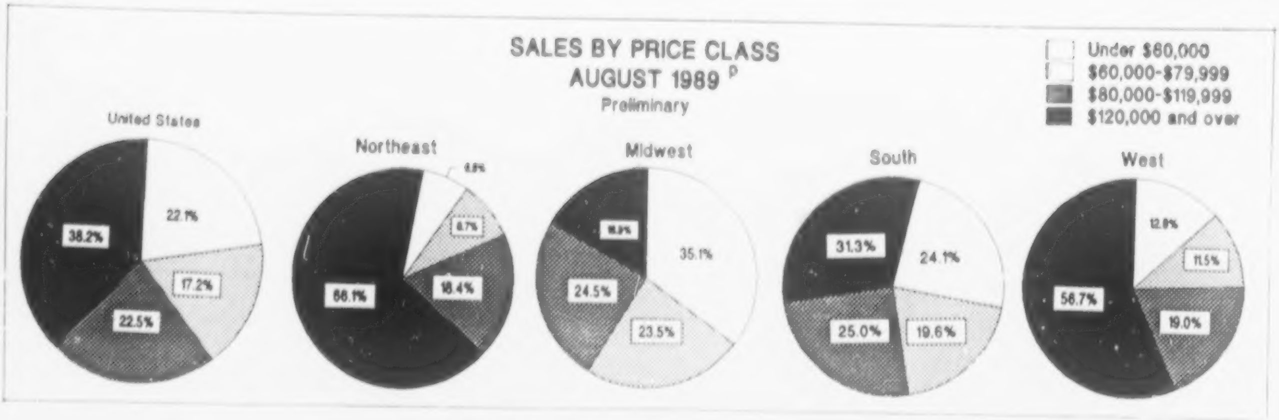
Number of Bedrooms	United States	Northeast	Midwest	South	West
2 Bedrooms or less	15.8	14.3	18.5	13.7	17.0
3 Bedrooms	53.6	47.9	56.2	55.9	49.0
4 Bedrooms or more	30.6	37.8	25.3	30.4	34.0
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY PRICE CLASS
AUGUST 1989^p
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
$ 19,999 or under	1.6	2.0	2.4	1.3	0.7
$ 20,000 - $ 29,999	2.1	0.5	4.1	1.6	1.3
$ 30,000 - $ 39,999	4.5	0.8	7.1	5.3	2.4
$ 40,000 - $ 49,999	6.3	1.5	10.0	7.1	3.7
$ 50,000 - $ 59,999	7.6	2.0	11.5	8.8	4.7
$ 60,000 - $ 69,999	8.9	3.7	12.3	10.4	5.8
$ 70,000 - $ 79,999	8.3	5.0	11.2	9.2	5.7
$ 80,000 - $ 89,999	7.8	4.6	9.8	8.6	6.3
$ 90,000 - $ 99,999	5.9	4.5	6.6	6.5	5.1
$100,000 - $119,999	8.8	9.3	8.1	9.9	7.6
$120,000 - $159,999	13.9	22.8	9.0	13.9	13.6
$160,000 - $199,999	8.5	16.2	3.9	6.9	11.4
$200,000 - $249,999	6.0	10.9	2.0	4.5	10.0
$250,000 and over	9.8	16.2	2.0	6.0	21.7
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$94,900	$148,400	$72,300	$87,400	$139,400

p Preliminary



HOUSING AFFORDABILITY

Year	Median Priced Existing Single-Family Home	Mortgage Rate*	Monthly P & I Payment	Payment as % Income	Median Family Income	Qualifying Income**	Affordability Indexes Composite	Fixed	ARM
1983	$70,300	12.85%	$ 616	30.1%	$24,580	$29,546	83.2	81.7	85.2
1984	72,400	12.49	618	28.2	26,433	29,650	89.1	84.6	92.1
1985	75,500	11.74	609	26.2	27,735	29,243	94.8	89.6	100.6
1986	80,300	10.25	563	23.0	29,458	27,047	108.9	105.7	116.3
1987	85,600	9.28	565	22.0	30,853	27,113	113.8	107.1	122.0
1988	89,300	9.31	591	22.1	32,100	28,360	113.2	103.3	121.6
1988									
Aug	$91,500	9.32%	$ 606	22.9%	$31,684	$29,084	108.9	98.1	117.4
Sep	88,500	9.30	585	22.1	31,788	28,081	113.2	101.0	121.5
Oct	88,900	9.41	593	22.3	31,892	28,481	112.0	100.6	120.5
Nov	88,500	9.48	594	22.3	31,996	28,526	112.2	102.8	119.4
Dec	88,700	9.59	601	22.5	32,100	28,864	111.2	103.0	119.3
1989									
Jan	$89,700	9.61%	$ 609	22.7%	$32,207	$29,240	110.1	101.4	118.3
Feb	91,900	9.78	632	23.5	32,314	30,375	106.4	97.8	113.5
Mar	92,000	9.93	642	23.8	32,421	30,820	105.2	97.8	111.7
Apr	92,900	10.08	657	24.2	32,528	31,517	103.2	96.4	109.1
May	92,600	10.46	675	24.8	32,644	32,420	100.7	95.1	106.5
Jun	93,400	10.59	689	25.2	32,760	33,049	99.1	95.8	103.5
Jul^r	96,700	10.39	701	25.6	32,876	33,662	97.7	95.6	102.3
Aug^p	94,900	10.11	672	24.5	32,992	32,277	102.2	100.7	107.1
				Regional Housing Affordability					
Aug^p								Month Ago	Year Ago
Northeast	$148,400	10.25%	$1,064	34.5%	$37,026	$51,065	72.5	70.8	74.1
Midwest	72,300	10.19	516	18.6	33,275	24,755	134.4	129.3	139.5
South	87,400	10.19	623	24.7	30,327	29,925	101.3	98.9	109.3
West	139,400	9.93	973	33.3	35,038	46,699	75.0	69.3	85.6

* Effective rate on loans closed on existing homes – Office of Thrift Supervision r Revised p Preliminary
** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment

FIRST-TIME HOMEBUYER AFFORDABILITY

Year	Starter Home Price	10% Down Payment	Loan Amount	Effective Interest Rate*	Effective I Rate Plus PMI	Monthly Payment	Prime First-Time Median Income	Qualifying Income**	First-Time Buyer Affordability Index	Composite Affordability Index	Affordability GAP (Percent)
1983	$59,800	$5,980	$53,820	12.85%	13.10%	$600	$17,109	$28,799	59.4	83.2	-28.6
1984	61,500	6,150	55,350	12.49	12.74	601	18,735	28,851	64.9	89.1	-27.2
1985	64,200	6,420	57,780	11.74	11.99	594	19,484	28,507	68.3	94.8	-28.0
1986	68,300	6,830	61,470	10.25	10.50	562	20,400	26,990	75.6	108.9	-30.6
1987	72,700	7,280	65,520	9.28	9.53	552	20,916	26,513	78.9	113.8	-30.7
1988	75,900	7,590	68,310	9.31	9.56	577	21,898	27,714	79.0	113.2	-30.2
1988											
II	$75,900	$7,590	$68,310	9.24%	9.49%	$574	$21,408	$27,547	77.7	111.7	-30.4
III	76,700	7,670	69,030	9.31	9.56	583	21,653	28,006	77.3	111.0	-30.3
IV	75,400	7,540	67,860	9.49	9.74	583	21,898	27,961	78.3	112.2	-30.2
1989											
I	$77,500	$7,750	$69,750	9.77%	10.02%	$613	$22,143	$29,431	75.2	107.2	-29.9
II	79,000	7,900	71,100	10.38	10.63	657	22,388	31,550	71.0	101.1	-29.8

* Effective rate on loans closed on existing homes – Office of Thrift Supervision
** Based on current lending requirements of the Federal National Mortgage Association using 10 percent down payment.

CONDO AND CO-OP SALES

APARTMENT CONDO AND CO-OP SALES (Seasonally Adjusted Annual Rates)

Year		United States	Northeast	Midwest	South	West
1983		205,000	79,000	41,000	54,000	31,000
1984		230,000	96,000	45,000	55,000	34,000
1985		279,000	135,000	50,000	64,000	30,000
1986		332,000	166,000	60,000	73,000	33,000
1987		361,000	189,000	64,000	78,000	31,000
1988		357,000	167,000	63,000	87,000	39,000
1988	II	414,000	208,000	74,000	83,000	48,000
	III	340,000	154,000	66,000	87,000	33,000
	IV	320,000	138,000	52,000	92,000	38,000
1989	I	357,000	150,000	70,000	94,000	44,000
	II	388,000	203,000	62,000	83,000	39,000

Components may not agree with totals due to rounding
r Revised

TOTAL EXISTING HOME SALES SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Seasonally Adjusted Annual Sales)

Year		United States	Northeast	Midwest	South	West
1983		2,924,000	572,000	750,000	1,089,000	512,000
1984		3,098,000	607,000	800,000	1,128,000	563,000
1985		3,493,000	757,000	916,000	1,236,000	584,000
1986		3,897,000	869,000	1,051,000	1,334,000	643,000
1987		3,887,000	874,000	1,023,000	1,360,000	630,000
1988		3,951,000	840,000	992,000	1,437,000	681,000
1988	II	4,060,000	900,000	1,010,000	1,450,000	690,000
	III	4,000,000	830,000	990,000	1,470,000	710,000
	IV	4,090,000	810,000	1,020,000	1,530,000	730,000
1989	I	3,840,000	780,000	980,000	1,390,000	690,000
	II	3,710,000	780,000	950,000	1,350,000	640,000

Components may not agree with totals due to rounding
r Revised

MEDIAN SALES PRICE OF APARTMENT CONDOS AND CO-OPS, QUARTERLY (Not Seasonally Adjusted)

Year		United States	Northeast	Midwest	South	West
1983		$64,000	$ 61,300	$55,200	$62,000	$ 97,300
1984		65,100	64,700	55,600	63,300	94,600
1985		67,600	73,600	56,100	62,300	91,100
1986		72,600	84,900	58,700	64,600	90,800
1987		77,800	98,300	61,700	64,100	97,200
1988		83,100	110,600	60,600	64,500	108,900
1988	II	$83,600	$110,300	$60,600	$65,400	$107,500
	III	83,300	110,300	61,500	63,500	112,500
	IV	83,500	111,400	61,900	63,900	109,800
1989	I	$83,700	$107,000	$64,300	$67,900	$111,100
	II	85,700	111,900	65,800	71,800	105,200

STATE SALES DATA

TOTAL EXISTING HOME SALES FOR EACH STATE SINGLE-FAMILY, APARTMENT CONDOS AND CO-OPS (Units in Thousands)

State	Years			Quarters (Seasonally Adjusted Annual Rate)				
	1986	1987	1988	1988			1989	
				II	III	IV	I	II
Alabama	60.8	59.7	52.6	51.1	55.1	51.1	51.1	46.4
Alaska	6.1	7.7	9.6	8.3	12.0	10.1	6.2	6.8
Arizona	73.8	67.3	64.4	60.0	69.2	71.2	65.3	56.0
Arkansas	52.8	48.2	46.6	51.2	46.8	47.9	46.2	39.5
California*	484.6	507.0	562.8	566.9	587.4	593.9	615.1	523.7
Colorado	47.5	46.7	49.3	49.9	53.1	50.7	48.3	42.6
Connecticut	52.0	52.5	57.1	59.1	55.4	59.1	56.4	52.7
Delaware	12.9	14.0	13.3	14.1	13.3	13.1	12.2	13.4
District of Columbia	11.6	10.5	10.8	10.4	10.7	11.4	10.0	8.1
Florida	169.4	184.2	183.1	184.2	193.0	179.8	193.0	175.4
Georgia	75.1	89.0	84.9	84.3	76.3	88.3	85.9	82.0
Hawaii	10.0	11.5	10.3	10.5	10.0	9.9	13.4	12.4
Idaho	11.3	10.9	11.3	11.3	11.5	11.5	13.6	12.1
Illinois	179.2	175.3	186.5	180.2	191.8	203.4	197.6	170.5
Indiana	86.1	89.8	85.1	91.9	80.4	81.4	91.9	84.6
Iowa	46.1	48.3	54.0	53.6	57.4	56.8	45.3	51.0
Kansas	54.4	54.4	50.6	49.0	51.9	50.2	48.5	45.6
Kentucky	58.6	64.1	67.9	66.6	69.2	65.4	75.7	66.0
Louisiana	34.0	40.4	34.5	29.6	33.4	42.8	35.7	30.9
Maine	30.8	35.2	34.2	36.3	35.0	31.4	30.5	32.2
Maryland	86.9	78.5	86.2	80.1	89.6	97.1	89.6	75.4
Massachusetts	84.6	100.5	93.3	95.3	92.8	88.4	91.6	90.3
Michigan	186.6	169.6	168.6	177.6	160.6	160.6	194.6	181.4
Minnesota	96.8	89.4	82.4	78.9	79.6	88.6	66.2	64.8
Mississippi	34.2	34.2	30.6	30.4	28.8	33.9	31.6	28.8
Missouri	88.4	88.4	83.1	77.2	82.3	78.2	90.4	75.2
Montana	11.9	11.6	11.9	11.8	12.2	12.8	11.6	13.3
Nebraska	25.5	23.3	22.4	21.0	22.0	23.1	27.2	24.4
Nevada	11.0	12.2	12.2	10.9	13.1	13.6	12.0	10.9
New Hampshire	20.3	19.2	15.3	14.6	15.6	15.0	14.0	12.0
New Jersey	159.6	157.3	142.3	159.6	130.9	122.8	151.5	127.3
New Mexico	19.5	20.0	18.6	20.5	18.5	17.9	20.2	17.1
New York	216.8	223.9	213.4	218.2	216.3	208.7	201.1	191.6
North Carolina	139.2	140.6	141.8	143.3	146.1	141.4	121.4	130.0
North Dakota	9.5	11.2	11.2	11.5	11.2	10.7	13.6	10.7
Ohio	179.9	180.9	181.9	185.7	176.0	181.9	212.8	168.3
Oklahoma	49.4	44.6	49.6	46.8	52.1	52.8	55.1	52.1
Oregon	45.0	48.5	53.1	53.2	55.2	55.8	57.8	55.8
Pennsylvania	258.3	259.5	276.5	267.8	291.6	283.7	253.6	223.5
Rhode Island	13.5	13.4	13.8	15.8	13.4	12.7	14.6	12.8
South Carolina	58.0	60.9	63.3	65.0	70.6	61.7	52.3	59.3
South Dakota	13.2	13.0	14.2	11.5	14.7	16.1	21.8	9.8
Tennessee	112.0	111.2	102.6	102.0	97.2	109.9	112.3	96.4
Texas	198.9	224.3	238.5	229.3	246.3	254.8	240.6	209.5
Utah	14.6	14.6	14.3	14.0	14.3	14.8	13.5	15.1
Vermont	12.4	12.9	13.4	14.4	13.5	11.6	14.1	11.5
Virginia	130.4	113.0	113.6	112.5	113.6	118.0	108.0	95.9
Washington	50.6	43.6	48.9	49.7	51.5	47.1	57.6	52.3
West Virginia	39.7	36.6	44.5	46.5	38.0	36.4	64.2	43.6
Wisconsin	76.9	73.3	72.2	73.8	65.2	81.5	73.8	66.0
Wyoming	6.1	6.0	5.8	6.3	5.9	5.5	6.9	5.8

* Provided by the California Association of REALTORS®.

METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

(Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
				1988			1989	
	1986	1987	1988	II	III	IV	I	II
Akron, OH	$ 56.2	$ 57.1	$ 59.9	$ 60.1	$ 62.6	$ 58.4	$ 56.0	$ 62.9
Albany/Schenectady/Troy, NY	72.7	86.4	92.2	91.1	92.3	100.1	102.1	104.2
Albuquerque, NM	81.6	82.6	80.4	81.6	83.4	75.8	82.0	84.5
Orange County(Anaheim/Santa Ana MSA), CA**	147.7	167.3	206.9	200.0	217.4	226.4	237.8	247.6
Atlanta, GA	n/a	n/a	n/a	n/a	81.1	80.5	80.3	83.8
Baltimore, MD	74.0	81.1	88.7	87.3	92.3	89.6	92.2	95.1
Baton Rouge, LA	70.9	67.8	64.7	64.5	64.1	64.8	61.1	64.7
Birmingham, AL	68.3	71.6	75.7	76.5	77.3	74.9	77.3	77.8
Boston, MA	159.2	177.2	181.2	182.9	183.8	179.3	177.0	186.2
Buffalo/Niagara Falls, NY	52.4	56.7	65.6	64.8	66.6	67.5	68.7	71.5
Charleston, SC	n/a	72.7	73.1	73.5	74.4	71.3	72.4	75.0
Charlotte, NC	n/a	n/a	n/a	n/a	81.1	80.5	85.2	86.5
Chattanooga, TN	55.3	59.0	63.5	63.2	64.2	64.9	65.6	64.6
Chicago, IL	86.1	90.8	98.9	99.3	100.8	98.4	99.6	105.0
Cincinnati, OH	n/a	66.1	69.7	69.6	71.8	70.2	72.9	76.6
Cleveland, OH	66.9	68.1	69.2	69.9	69.8	69.3	69.4	76.2
Columbia, SC	67.2	68.4	69.7	70.6	70.7	68.7	71.9	73.5
Columbus, OH	65.5	68.7	72.6	73.4	74.5	74.6	73.9	76.7
Corpus Christi, TX	66.0	65.9	64.9	64.8	63.2	66.5	63.2	64.4
Dallas, TX	93.2	90.8	90.8	90.5	88.6	87.0	89.8	92.4
Daytona Beach, FL	57.7	60.2	62.6	63.3	62.7	64.1	59.5	63.6
Dayton/Springfield, OH	57.3	59.4	63.3	63.4	63.8	63.6	64.4	69.0
Denver,CO	86.4	88.9	81.8	83.4	81.1	79.7	80.8	83.3
Des Moines, IA	55.9	55.6	55.8	58.2	55.0	54.8	57.3	57.1
Detroit, MI	58.1	65.6	73.1	72.3	76.4	73.4	71.9	73.1
El Paso, TX	59.0	59.2	59.6	60.5	62.0	58.8	57.2	64.2
Ft.Lauderdale/Hollywood/Pompano Beach, FL	77.7	79.6	81.1	79.2	84.7	81.4	82.1	82.8
Ft. Worth, TX	87.9	80.0	73.3	70.7	73.9	73.6	73.6	77.2
Grand Rapids, MI	50.4	53.5	57.9	58.3	59.0	59.2	59.2	65.0
Greenville/Spartanburg, SC	64.3	64.2	65.9	64.9	68.7	64.5	60.8	69.1
Hartford, CT	129.0	157.4	167.6	169.0	168.8	165.0	165.5	165.1
Honolulu, HI	172.0	186.0	215.1	198.7	226.0	225.0	245.0	262.5
Houston, TX	69.9	65.9	61.8	63.5	65.5	56.8	62.9	68.7
Indianapolis, IN	59.0	62.5	66.1	66.7	67.5	66.6	68.0	70.9
Jacksonville, FL	62.8	65.1	67.7	67.4	67.2	67.9	65.9	67.0
Kansas City, MO/KS	65.4	69.8	70.5	71.9	69.9	69.3	73.8	72.6
Knoxville, TN	60.3	65.4	67.0	65.5	69.1	66.9	69.8	70.3
Lansing, MI/East Lansing, MI	52.4	54.5	56.6	57.8	57.0	56.2	57.9	59.4
Las Vegas, NV	77.5	77.0	78.8	77.9	80.7	80.2	80.5	86.1
Lexington/Fayette, KY	67.7	72.5	73.5	72.7	75.6	75.4	74.9	78.3
Little Rock/N. Little Rock, AR	63.2	63.1	63.9	63.1	65.6	63.8	63.4	62.9
Los Angeles Area, CA**	128.8	147.7	179.4	174.9	189.2	191.1	201.0	218.0
Louisville, KY	51.7	51.7	54.5	54.1	56.0	55.1	56.7	58.4
Madison, WI	66.4	69.2	72.0	71.8	74.2	70.7	74.7	76.8
Memphis, TN	70.6	75.0	76.3	76.8	76.6	74.5	77.0	78.0
Miami/Hialeah, FL	81.1	81.1	82.9	83.5	82.6	84.0	83.0	88.1
Milwaukee, WI	69.9	70.5	74.5	75.3	75.6	73.1	76.0	81.2
Minneapolis/St Paul, MN	77.9	80.5	85.2	84.3	86.0	87.2	85.9	87.0
Mobile, AL	52.9	55.6	53.0	49.7	56.1	55.8	50.9	55.4
Montgomery, AL	61.0	64.8	64.5	65.6	65.3	63.6	66.0	69.7
Nashville/Davidson, TN	70.8	75.5	77.6	78.3	78.1	76.5	79.6	79.3
New Haven/Meridan, CT	n/a	156.9	169.4	168.9	173.5	160.2	166.7	156.0
New Orleans, LA	n/a	n/a	73.1	73.2	74.8	70.9	68.4	68.2
NewYork/N. NewJersey/Long Island, NY/NJ/CT	160.6	183.5	183.8	194.0	192.1	179.8	179.7	186.3
Oklahoma City, OK	63.0	62.3	56.2	56.9	57.9	53.5	52.3	52.3
Omaha, NE	58.8	59.0	59.5	58.7	60.3	59.9	60.9	58.6
Orlando, FL	72.5	76.2	79.1	77.7	81.3	78.1	79.1	79.1
Peoria, IL	45.7	46.5	45.0	46.0	45.8	44.3	42.0	47.7
Philadelphia, PA	82.4	97.0	102.4	101.9	106.5	104.1	104.7	108.8
Phoenix, AZ	78.4	80.9	80.0	79.1	82.3	79.6	78.5	82.2
Pittsburgh, PA	n/a	n/a	63.2	62.2	66.3	62.8	62.4	65.2
Portland, OR	62.6	64.2	64.4	64.9	64.8	64.8	67.1	68.8

METROPOLITAN AREA DATA (continued):

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*

(Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
	1986	1987	1988	1988			1989	
				II	III	IV	I	II
Providence, RI	87.6	121.4	130.6	130.4	131.9	133.0	128.8	130.9
Raleigh/Durham, NC	89.5	98.0	97.0	99.8	100.0	97.6	102.0	99.4
Riverside/San Bernardino, CA**	94.5	96.1	106.7	104.9	109.6	113.2	116.1	122.2
Rochester, NY	68.3	72.5	75.7	73.7	78.3	76.3	76.4	76.8
Sacramento, CA**	n/a	87.5	95.3	92.3	100.2	97.4	100.3	107.2
Salt Lake City/Ogden, UT	68.5	69.4	67.7	66.9	70.0	67.7	67.8	69.9
San Antonio, TX	69.2	70.2	65.0	65.2	68.2	62.1	61.6	63.0
San Diego, CA**	118.2	129.2	147.8	142.6	152.1	157.2	163.9	176.6
San Francisco Bay Area, CA**	161.2	171.3	212.6	202.8	218.9	232.4	244.0	265.7
Seattle/Tacoma, WA	n/a	82.6	88.7	93.6	89.8	91.9	99.7	109.1
Spokane, WA	53.3	51.2	51.1	52.9	50.9	50.3	50.2	51.8
Springfield, MA	87.6	105.2	118.4	105.8	127.4	121.7	124.4	127.0
St. Louis, MO	70.9	74.3	78.1	79.5	81.1	75.7	81.4	75.3
Syracuse, NY	64.3	68.9	74.6	74.9	75.4	75.9	76.9	78.9
Tampa/St Petersburg/Clearwater, FL	61.1	63.8	65.6	65.5	67.9	66.2	68.6	71.8
Toledo, OH	56.0	56.3	58.4	59.7	59.9	56.4	57.7	62.4
Tulsa, OK	65.5	65.7	65.0	65.0	65.5	65.3	60.5	62.6
Washington, DC/MD/VA	101.6	114.2	132.5	131.2	135.8	130.1	143.7	140.5
W. Palm Beach/Boca Raton/Delray Beach, FL	92.6	102.6	99.0	94.8	107.4	102.0	94.4	96.2
Wichita, KS	n/a	n/a	60.1	60.3	62.0	59.6	60.4	62.2
Worcester, MA	n/a	139.1	147.5	146.0	153.0	143.1	146.8	138.7

n/a Not Available p Preliminary

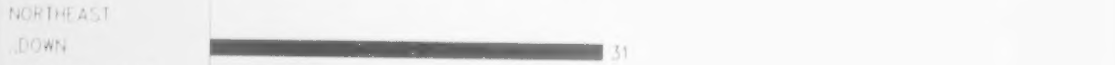
* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas.

** Provided by the California Association of REALTORS®.

METROPOLITAN HOME SALES PRICES

Percent Change from 2nd Quarter 1988

(By Region)



Source: The NATIONAL ASSOCIATION OF REALTORS

METROPOLITAN AREA HOUSING AFFORDABILITY
Selected Metropolitan Areas by Major Components, Second Quarter: 1989

Metropolitan Area***	Median-Priced Existing Single-Family Home	Mortgage Rate*	Median Family Income	Qualifying Income**	Composite Afford-ability Index
Baltimore, MD	$95,100	10.51%	$37,836	$33,432	113.2
Boston, MA	186,200	10.56	44,460	65,726	67.6
Chicago, IL	105,000	10.37	36,051	36,491	98.8
Cleveland, OH	76,200	10.58	35,840	26,941	133.0
Dallas/Ft. Worth, TX	87,700	10.51	42,096	30,831	136.5
Denver, CO	83,300	10.00	40,177	28,071	143.1
Detroit, MI	73,100	10.62	38,021	25,929	146.6
Houston, TX	68,700	10.53	43,053	24,191	178.0
Indianapolis, IN	70,900	10.20	39,783	24,296	163.7
Kansas City, MO/KS	72,600	10.00	36,196	24,465	147.9
Los Angeles Area, CA#	218,000	10.16	34,343	74,455	46.1
Miami/Hialeah, FL	88,100	10.17	29,741	30,114	98.9
Milwaukee, WI	81,200	10.38	37,536	28,243	132.9
Minneapolis/St Paul, MN	87,000	10.34	43,689	30,161	144.9
NewYork/N. NewJersey/Long Island, NY/NJ/CT	186,300	10.04	30,607	62,992	48.6
Philadelphia, PA	108,800	10.32	37,739	37,656	100.2
Phoenix, AZ	82,200	10.29	35,534	28,379	125.2
Pittsburgh, PA	65,200	10.53	29,950	22,958	130.5
St. Louis, MO	75,300	10.06	37,296	25,503	146.2
San Diego, CA#	176,600	10.07	33,962	59,863	56.7
San Francisco Bay Area, CA#	265,700	9.96	43,315	89,236	48.5
Washington, DC/MD/VA	140,500	10.21	51,199	48,186	106.3

* Effective rate on loans closed on existing homes - Office of Thrift Supervision

** Based on current lending requirements of the Federal National Mortgage Association using a 20 percent down payment

*** All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas.

Note: The California Association of REALTORS® publishes a housing affordability index for areas within the state which differs significantly from these values because it measures the proportion of households which could theoretically afford to purchase the median price home rather than the ability of a median income family to carry the mortgage. California data is provided for comparison only and is not to replace the currently available measures. The indices are roughly consistent.

HOUSING AFFORDABILITY INDEX FOR METROPOLITAN AREAS

	Years			Quarters				
				1988			1989	
Metropolitan Area*	1986	1987	1988	II	III	IV	I	II
Baltimore, MD	125.5	133.8	129.0	128.8	123.2	128.4	122.8	113.2
Boston, MA	69.9	72.6	74.5	76.4	72.4	73.5	73.2	67.6
Chicago, IL	109.9	116.2	110.1	109.0	108.0	109.9	107.4	98.8
Cleveland, OH	140.0	152.7	154.0	154.6	154.3	152.5	150.5	133.0
Dallas/Ft. Worth, TX	117.7	132.5	143.2	143.2	141.9	147.3	142.7	136.5
Denver, CO	122.4	127.0	143.8	139.2	144.9	154.3	153.2	143.1
Detroit, MI	166.7	166.5	154.3	155.9	149.9	152.3	151.5	146.6
Houston, TX	150.9	182.5	199.8	196.3	184.2	219.1	197.1	178.0
Indianapolis, IN	161.1	176.4	177.3	178.1	172.6	170.6	169.7	163.7
Kansas City, MO/KS	147.2	149.5	157.2	156.8	156.5	156.2	146.1	147.9
Los Angeles Area, CA#	69.5	72.9	61.2	61.6	58.2	56.8	53.2	46.1
Miami/Hialeah, FL	94.3	108.8	113.4	111.2	112.9	111.9	109.9	98.9
Milwaukee, WI	147.6	162.1	149.3	148.4	149.2	151.9	142.6	132.9
Minneapolis/St. Paul, MN	148.4	164.1	156.7	159.4	159.9	144.6	158.9	144.9
New York/N. New Jersey/Long Island, NY/NJ/CT	49.3	50.4	50.6	49.3	49.8	53.0	51.5	48.6
Philadelphia, PA	112.4	110.3	108.9	110.6	105.5	106.2	105.6	100.2
Phoenix, AZ	117.9	130.6	134.7	137.0	133.5	133.7	135.1	125.2
Pittsburgh, PA	n/a	n/a	144.6	152.3	138.5	139.5	137.7	130.5
St. Louis, MO	137.4	147.3	150.0	144.7	143.1	150.2	136.8	146.2
San Diego, CA#	77.2	83.9	72.2	78.8	73.1	68.3	65.6	56.7
San Francisco Bay Area, CA#	69.9	76.8	69.0	71.2	66.4	61.2	56.0	48.5
Washington, DC/MD/VA	126.4	129.2	119.0	120.2	117.1	121.7	110.8	106.3

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NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Thousands of Units)

Year		Total	In structures with --			Regions			
			1 unit	2 to 4 units	5 units or more	Northeast	Midwest	South	West
1983		1,703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
1988		1,488	1,081	59	348	235	274	574	404
					Seasonally Adjusted Annual Rates				
1988	Aug	1,459	1,076	59	324	217	239	573	430
	Sep	1,463	1,039	62	362	206	258	576	423
	Oct	1,532	1,136	63	333	198	273	582	479
	Nov	1,567	1,138	68	361	219	275	613	460
	Dec	1,577	1,141	65	371	201	343	609	424
1989	Jan	1,678	1,199	66	413	293	313	642	430
	Feb	1,465	1,029	62	374	224	273	572	396
	Mar	1,409	981	50	378	160	308	552	389
	Apr	1,343	1,029	62	252	207	274	526	336
	May	1,308	977	42	289	176	244	513	375
	Jun[r]	1,406	972	55	379	168	242	552	444
	Jul[r]	1,424	1,029	57	338	195	267	532	430
	Aug[p]	1,353	1,003	58	292	140	241	574	398

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce

NEW ONE-FAMILY HOUSES SOLD
(Thousands of houses sold during period)

Year		United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987		671	117	97	271	186					
1988		676	101	97	276	202					
			Seasonally Adjusted Annual Rates						Not Seasonally Adjusted		
1988	Aug	712	100	98	300	214	59	8	9	25	17
	Sep	691	86	99	261	245	54	7	8	21	18
	Oct	718	96	111	274	238	57	8	9	20	19
	Nov	650	65	104	254	227	43	5	7	17	15
	Dec	669	109	94	263	204	42	7	5	17	12
1989	Jan	700	121	106	265	207	52	8	6	21	17
	Feb	621	84	103	236	198	51	6	8	20	17
	Mar	555	107	99	201	148	58	11	10	21	15
	Apr	607	82	99	244	182	60	7	11	24	18
	May[r]	653	89	99	271	195	61	9	10	25	18
	Jun[r]	653	72	102	261	218	59	7	10	23	20
	Jul[r]	758	108	129	292	229	63	10	11	24	18
	Aug[p]	755	107	93	310	244	63	9	9	26	20

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce

NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF AUGUST
(Percentage Distribution)

Price Class	Aug 1985	Aug 1986	Aug 1987	Aug 1988^r	Aug 1989^p
Under $60,000	16	13	9	7	6
$60,000 to $79,999	29	25	20	15	17
$80,000 to $99,999	19	20	18	19	16
$100,000 to $119,999	12	13	11	14	9
$120,000 to $149,999	11	11	16	14	16
$150,000 and over	12	18	26	31	36
Median Sales Price	$83,300	$91,500	$106,800	$110,000	$122,900

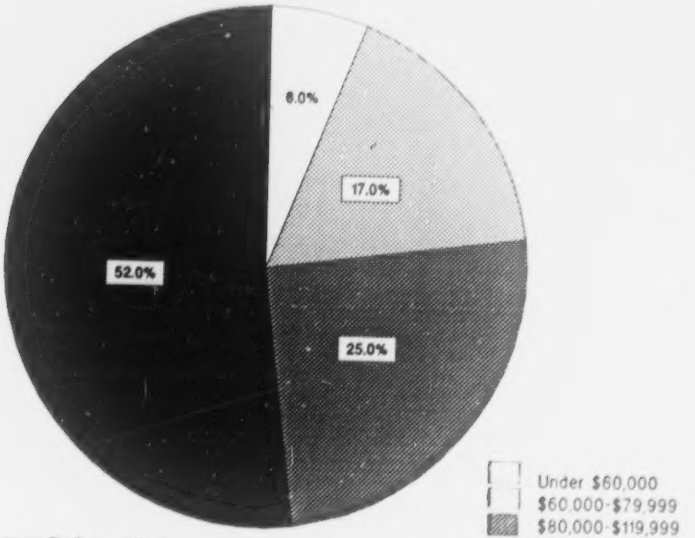
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce

NEW HOUSES SOLD BY SALES PRICE CLASS
SECOND QUARTER 1989^p
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	7	*	10	13	*
$60,000 to $79,999	14	*	13	22	9
$80,000 to $119,999	29	20	30	30	26
$120,000 and over	50	64	47	35	63
Median Sales Price	$120,000	$149,000	$113,500	$96,300	$139,900

* Insufficient Sample Size
p Preliminary
Source: Census Bureau, U.S. Department of Commerce

NEW HOUSES SOLD BY SALES PRICE CLASS
AUGUST 1989 p
(Percentage Distribution)



Source: U.S. Department of Commerce, The Bureau of Census
p Preliminary

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